

Comprehensive Administrative Review

CSBG/CAR TOOL

TUNE UP
SERVICE

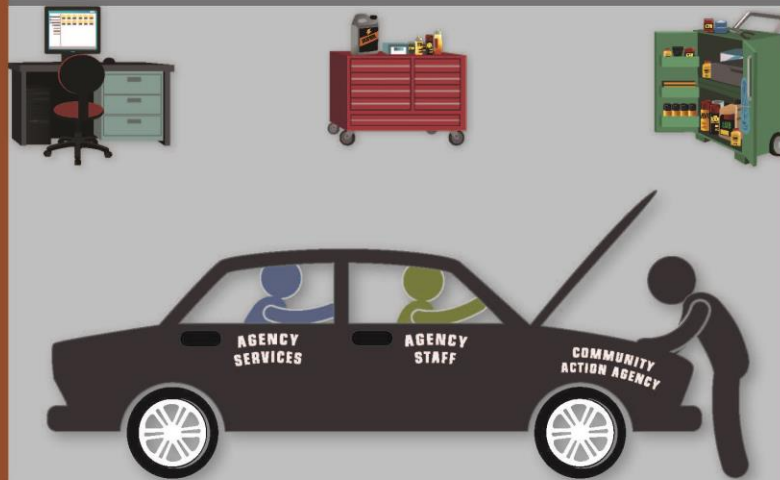


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Community Service Block Grant

Comprehensive Administrative Review

Summary

The Department of Health and Human Services (HHS) provides funding for the Community Service Block Grant (CSBG). The purpose of CSBG is to provide assistance to State and local communities to reduce poverty, revitalize low-income communities, and to empower low-income families and individuals in rural and urban areas to become fully self-sufficient. These federal funds are sent to the State of Indiana, which distributes them to the CSBG eligible entities, hereafter called Local Service Provider (LSP) to provide valuable services in their communities. HHS has charged each state with the task of overseeing and ensuring that funds are disbursed to the LSP and are administered in accordance with federal regulations.

In 2007, the Governor designated the Indiana Housing and Community Development Authority (IHCDA), as the State of Indiana's lead agency with oversight authority to oversee this process. LSPs within the State of Indiana are made up of both private and public not-for-profit organizations that administer programs and services throughout their designated service area. Additionally, the primary responsibility of the LSP's governing board is to assure that the organization not only meets all Federal and State requirements, hereafter Organizational Standards. This tool will provide LSPs with a detailed guide on implementation of federal and state requirements to provide high quality services to low income people and its community.

Monitoring Objective

Monitoring is a good business practice that allows agencies to continually improve its outcomes as they strive to adopt high impact strategies to assist in meeting the needs of its community. To successfully assist each agency in fulfilling its mission, we utilize a "whole agency" approach centered on collaboration and communication with our partners that allow them to build capacity so they can excel in working to eliminate poverty.

Effective communication is vital in facilitating a good working relationship. The purpose of communication is to provide program objectives and requirements, assist in developing solutions to problems, to share program improvement ideas, and provide information on new developments. We operate with the basic belief that a team approach is in the best interest of the agencies long term growth and that the monitoring process is the mechanism for this interaction to occur. To ensure proper communication is achieved the following communication plan will be utilized:

- Keep agencies updated on any changes to the monitoring policies and/or procedures
- Send all monitoring correspondences preliminary and final report to the Executive Director
- Provide the agency with the monitoring time table for the on-site review, report, follow-up and closeout
- Conduct an entrance and exit conference with Executive Director and key leadership staff
- Meet regularly with the Executive Director during the on-site monitoring review to discuss all standards that are not met, partially met, recommendations and comments
- Be available to the governing board to review the monitoring report, if requested
- Meet with the governing board to review the monitoring report if a quality improvement plan is warranted

- Provide an opportunity for the agency to evaluate the monitoring process and the on-site monitors
- Provide INCAA with possible training and technical assistance topics that could be utilized by the network to enhance agency operations

Community Programs Division Monitoring Approach

Currently, IHCD has monitored its CSBG sub grantees on a biennial basis, with its Comprehensive Administrative Review (CAR). The Low Income Home Energy Assistance Block Grant (LIHEAP), Individual Development Accounts (IDA) and Weatherization Assistance Program (WAP) sub grantees are monitored annually. According to each grant agreement, each sub grantee is required to meet a set of performance benchmarks set forth by state program requirements, federal regulation or budget restrictions. Furthermore, to meet the additional monitoring requirements established in IM-138. The Grantee Plan Packet will be utilized as the desk-top (off year) CSBG monitoring process.

Beginning April 2016, IHCD will combine its monitoring programs for CSBG, IDA, LIHEAP and WAP. Through the former monitoring process, IHCD has learned the burden on its sub grantees preparing for compliance reviews and proposes to decrease the number of monitoring days on site, by at least three to four, through this consolidated approach.

Additionally, as part of IHCD's commitment to streamlining its processes, IHCD will continue its follow up with each local service provider, subsequent to its on-site review, by an emailed survey. The survey allows each sub-grantee to evaluate the monitors and the monitoring process at their own convenience.

The review is conducted by the IHCD Community Programs Monitor and a fiscal monitoring service subcontractor of IHCD. The IHCD Community Programs Monitor will serve as the LSP's point of contact and oversee the CAR process, which includes: issuing all notices and reports, collecting documentation and assisting the LSP with a plan to achieve 100% compliance of the organizational management components associated with the required action plan. The fiscal monitoring subcontractor will primarily be responsible for reviewing compliance of the Organizational Analysis components associated with the CAR which includes auditing fiscal operations and files and interviewing fiscal staff.

Monitoring Tool

This tool, or review instrument is used as an "open" and "transparent" document to complete the CSBG CAR monitoring process, which consists of Organizational Standards (OS) developed by the Center of Excellence (COE) or Federal regulations and IHCD requirements. The CAR instrument has been broken into the following two parts:

- Part One: **Organizational Management** (*Sections 1-3; categories 1-9*), which evaluates the operational performance metric for maximum feasible participation, vision and direction, and operations and accountability.
- Part Two: **Organizational Analysis** (*Sections 4- 5; categories 10-14*), which evaluates the fiscal performance metric for allocation and accounting to determine solvency.

This tool outlines each **standard** by section (e.g. 1.1 or 2.3.1), It is followed by additional information related to the specific standard:

Guidance is (tips, clarifications, statute or best practice information) on how to interpret those standards, as well as how to successfully demonstrate for the monitor(s) how the agency has met each standard.

Authority identifies the applicable Federal or State requirement imposed by stated or Federal regulation or code, contract, memorandums or policy guidance, other practices or laws governing the standard.

Evaluation will explain the possible concrete or subjective methods used by the IHCD monitor(s) to see if the LSP has met, partially meets or does not meet each standard.

Interview, is information regarding compliance or operations is obtained from discussion with individuals associated with the process under review.

Provide is the list of materials that may be requested to document compliance with the corresponding standard.

Where documentation is only required to provide proof of compliance; the tool will ask the LSP to provide documentation that the IHCD monitor will use to evaluate whether the LSP meets the corresponding standard. Please note that this tool may not provide an all-inclusive list of example items that can be provided for evaluation, as each organization may have different operational systems, language or local requirements. Additionally, the IHCD reserves the right to request additional information onsite to show compliance.

Scoring

Finally, this tool will assigns a **value** to each standard that will allow the IHCD monitor to supply an overall performance score as part of its final report. IHCD has also incorporated additional State best practices, which are an opportunity for each LSP to gain **bonus points**. Bonus points will be added to the final performance score, prior to a rating.

Each standard has an assigned value. The LSP will have an opportunity to earn an overall performance score based of 146 to 159 points. All points will be assigned based on the following criteria:

Meets Expectation	Full point(s)
Partially Meets Expectation	Partial point(s)
Does Not Meet Expectation	Zero points (0)

Note: IHCD will no longer use the terms “Findings” or “Concerns” with the CSBG CAR monitoring process.

Recommendations are not mandates and therefore do not carry a value. A best business practice recommendation is for the agency’s consideration, there is no violation of any policy or procedures but may aid the in stronger operations, if enacted.

For FY2016, each LSP reviewed during FY2016 should meet or exceed 90% of compliance for its overall performance score. All subsequent review, for each LSP reviewed in FY2017 and after should result in 100% compliance.

The CAR point system will provide evaluation as follows:

Overall Rating	Overall Score	Percentage (%)	
Needs Improvement	0-131	Below 90%	<i>Score may result in a Modified Quality Improvement Plan or a Quality Improvement Plan</i>
Good Standing	132-138	90% -94%	
Excellent Standing	139 or better	95%-100%	

Organizational Management:	Points Possible	Bonus Points Possible	
1	3	2	
2	6	1	
3	1	1	
4	9	0	
5	10	3	
6	4	0	
7	18	1	
8	13	1	
9	2	1	
Total Possible	66	10	76
Organizational Analysis:	Points Possible	Bonus Points Possible	
10	10	0	
11	10	0	
12	25	1	
13	20	0	
14	15	2	
Total Possible	80	3	83
Overall Total -	146	13	159

CSBG Monitoring Authority

Under Section 678B of the CSBG Act, 42 U.S.C. & 9914, State CSBG lead agencies have the authority to establish and monitor goals, standards and requirements that assure an appropriate level of accountability and quality among the State's LSPs, in addition to being a good business practice. This assurance requires that a compliance review, called a Comprehensive Administrative Review (CAR), is conducted at least every three years by federal law. IHDA conducts its review every two years for each LSP.

IHCDA utilized a combination of resources to complete this monitoring tool, all of which are consistent with its past State monitoring requirements and new Federal regulations and standards. A general list of those resources are listed below, but are not limited to:

- Public Law
- Information Memorandum (IMs)
- IHCDA Grant Agreement and Policy Manual
- Indiana Code (IC)
- Office of Management and Budget (OMB) Omni Circular
- Generally Accepted Accounting Principals
- Model Policies by Community Action Program Legal Services, Inc.

State Met Standards

For standards that are met in part or in totality by IHCDA the following header will be listed:

State Met Standards

Submitted Monitoring Documents:

Prior to an on-site monitoring visit, the LSP will be given a minimum 30 day notice. Agencies will have 20 days to provide the following information to IHCDA for review

Submit the requested information to IHCDA Online Services (www.ihcdaonline.com). This is the same website that your agency uses to submit claims to IHCDA.

Click on “Authority Online” which will take you to the login screen (username and password). There are two options to submit the requested documentation. Create a profile for your organizations monitoring contact (new user) or have your agency financial officer or claims staff upload the requested information. If you have any problems creating a new profile or submitting information please email claims@ihcda.in.gov and a claims staff representative will assist you.

Follow these steps to place the information in the appropriate location:

1. Login
2. Awards Claim Management
3. Award Information (Select your current CSBG award number)
4. Document Type: Monitoring Documents
5. **Upload each file separately** (label each file following the naming convention listed below)

To expedite the monitoring process, highlight, as best as possible, governing board minutes, staff meeting minutes, community reports, policy and procedures key sections or passages that reflect answers to the standards listed in the CAR Tool.

CSBG Organizational Management (OM):

- **OM: Agency Publicity** (annual plan, news releases, brochures, etc...)
- **OM: Governing Board Attendance Matrix** (Past 12 Months)
- **OM: Governing Board Bylaws**
- **OM: Governing Board Meeting Minutes** (past 16 Months)

- **OM: Governing Board Pre-Meeting Packet** (for the month prior to the month of review)
- **OM: Leadership Staff Meeting Minutes** (past 12 months)
- **OM: Monitoring Report(s)** (programs not funded by IHCD)
- **OM: Personnel Policy and Procedures** (Employee Handbook)
- **OM: Strategic Plan** (including any updates)
- **OM: Training Agendas** (annual training plan for governing board and staff)
- **Standard 1.2: Customer Satisfaction Surveys** (samples)
- **Standard 1.4: Customer Service Guide**
- **Standard 1.5: Employee Survey** (blank)
- **Standard 2.1: Agency Community Partnership list** (current outcomes list)
- **Standard 2.2: Community Activities List** (staff participation in the community)
- **Standard 2.4: Annual Volunteer List** (including service hours and program/activity supported)
- **Standard 2.5: Governing Board Members Community Partnership List**
- **Standard 2.6: Public Relations Plan** (may be part of the Grantee Plan Packet)
- **Standard 3.1: Community Needs Assessment Report** (most current report to the community)
- **Standard 3.1: Localized Community Needs Assessment** (most recent)
- **Standard 4.1: Mission Statement**
- **Standard 4.3.1: Certified ROMA Trainer Credentials**
- **Standard 4.5: Succession Plans** (Executive Director and all Leadership Staff)
- **Standard 4.7: Fundraising Activities** (fundraising & unrestricted revenue generating activities)
- **Standard 4.7: Revenue Diversification Plan**
- **Standard 4.8: Organizational Chart**
- **Standard 5.1: Governing Board Roster** (listing sector representation including if the public official is the elected or a representative member, contact information, and term limit information)
- **Standard 5.6: Conflict of Interest Disclosure** (for each governing board member)
- **Standard 5.7: Governing Board Orientation** (agenda or checklist)
- **Standard 5.11: Governing Board Bylaws Receipt** (documentation board members received bylaws within last two years)
- **Standard 7.3: CEO/ED Goals and Expectations** (most recent)
- **Standard 7.4: Employee Performance Evaluation** (blank)
- **Standard 7.6: New Employee Orientation** (agenda or checklist)
- **Standard 7.7: Emergency Action Plans** (each site)
- **Standard 7.8: New Hire Checklist**
- **Standard 7.9: Workers Compensation Insurance Certificate**
- **Standard 7.11: Employee Job Descriptions** (all staff positions)
- **Standard 7.13: Employee Performance Evaluation** (blank)
- **Standard 8.16: Records Retention and Destruction Policy** (may be part of the Fiscal Policy and Procedures)
- **Standard 9.2: Unduplicated Count Procedures**
- **Standard 9.3: Final Program Reports**

CSBG Organizational Analysis (OA): Financial Information

- **OA: Aging Accounts** (Payables and Receivables for the month prior to the month of review)
- **OA: Audited financial statements** (most recent)

- **OA: Chart of Accounts**
- **OA: Cost Allocation Plan** (may be included in Fiscal Policy and Procedures)
- **OA: Fiscal Policy and Procedures**
- **OA: Interim Balance Sheet** (consolidated and classified [current & long term] for the month prior to the month of review)
- **OA: Interim Income Statement** (consolidated and classified reflecting Federal & State grants, in-kind contributions, unrestricted administration expenses and depreciation for the month prior to the month of review OR a complete list of each)
- **OA: IRS Form 990**
- **OA: IRS Form 941** (Last four quarters)
- **OA: Procurement Policy** (may be part of the Fiscal Policy and Procedures)
- **OA: Organization Wide budget** (include all LSP programs)
- **Standard 10.2 Inventory** (inventory list and fixed asset inventory list)
- **Standard 12.4: Staff Receiving Benefits List** (indicate which program benefits are received for last two years)
- **Standard 12.6: Time Study** (evaluation or plan for allocation of staff time)
- **Standard 13.1: CSBG Contracts** (with any organizations which are paid through CSBG funding including WAP, IDA and EAP vendors and contractors that are subsidized with CSBG funding)
- **Standard 14.1: Bank Statements** (latest bank reconciliation)
- **Standard 14.5: In-kind contributions List**

Other Monitoring Programs

- **IDA: Program Budget** (including any budget modifications)
- **EAP: Program Budget** (including any budget modifications)
- **WAP: Program Budget** (including any budget modifications)
- **WAP: Average Cost per Home Report** (latest for DOE, LIHEAP and State LIHEAP)

On-site Supporting Documentation (DO NOT Upload)

This list is not all-inclusive and other documents may be requested on-site by the monitor to complete the review.

- Accounts Payable Subsidiary Ledger (past 12 months)
- Accounts Receivable Subsidiary Ledger (past 12 months)
- CSBG General Ledger (for the month prior to the month of review)
- Insurance Documentation
- IRS Form 940
- Payroll (for the month prior to the month of review for the executive director and the fiscal director or other exempt staff)
- Purchases over \$5,000 (documentation in the last 2 years)
- Agency Comprehensive Risk Assessment
- Strategic Plan (development notes)
- Travel Records and Reimbursement Requests (Three (3) samples of actual within past 12 months)

On-Site Monitoring Visit

The review is conducted by the IHCD Community Programs Monitor and a fiscal monitoring service subcontractor of IHCD. The IHCD Community Programs Monitor will be the LSP's point of contact, oversee the complete CAR process including issuing all reports, collecting documentation and focusing on compliance of the Organizational Management components associated with the CAR. The fiscal monitoring sub-contractor will primarily be responsible for reviewing compliance of the Organizational Analysis components associated with the CAR which includes auditing fiscal operations and files and interviewing fiscal staff.

The review will begin with an entrance conference, held between the IHCD monitors and the LSP's management team or its point of contacts for the review, to familiarize the LSP with the review process and for the monitor to become familiar with specific details unique to each organization.

When the monitoring visit is complete, an exit conference will be conducted to provide a preliminary report of the LSP's operational and fiscal analysis.

Final Report

After the on-site monitoring review, a cover letter and final CAR monitoring report will be issued within 30 calendar days of the exit conference, barring any circumstances that would cause a reasonable delay, to the CEO/Executive Director via email. The report will summarize the results of the review based upon the LSP's performance and will contain the following:

- Standards Met
- Required Action Plan (RAP)
- Fiscal Analysis Ratios
- Performance Scorecard (Overall Performance Score and performance rating by standard and by section)
- CAR Performance Graph
- Best Practice Recommendation(s)

A required action indicates that the agency did not successfully comply with a standard and therefore partially met or not met the expectation. A required action is an issue that is a direct violation to an established federal or state-issued guideline or an issue that did not follow an established policy as set forth in its policies and procedures.

A best business practice is for the agency's consideration, there is no violation of any policy or procedures but will aid the LSP in stronger operations if enacted.

Each LSP will have the opportunity to respond to the report by email to request reconsideration or to provide any items related to corrective action. IHCD's reply to the LSP response letter (usually within 15 calendar days) will outline agreement with the LSP's contention(s) or continue to assert that the standard warrants corrective action. If the LSP wishes to respond again, it may do so by letter within 15 calendar days. After IHCD and the LSP have exchanged two letter correspondences, if there are any unresolved items, the LSP may appeal the matter to IHCD's Director of Community Programs. The decision of the Director of Community Programs shall be final.

Monitoring Categories

Based upon the deficiencies detected as part of the CAR, the final report may outline:

Required Action Plan (RAP) (also called a technical assistance plan)

The RAP is prepared by the LSP to address and resolve each deficiency in the CAR report and should provide a timeline for implementation or correcting each issue. If IHCDCA finds that the RAP does not effectively resolve the deficiencies, IHCDCA may determine that the LSP requires additional monitoring and is eligible for a modified quality improvement plan (MQIP) or quality improvement plan (QIP).

Modified Quality Improvement Plan (MQIP)

A MQIP is programmatic in nature, triggered by substantial changes to the organization's operational health and service delivery. Some examples include, but are not limited to: the LSP may be non-compliant with its tripartite Governing Board requirements, Board bylaws, ROMA requirements, personnel or fiscal policies, conflict of interest practices and/or strategic and succession planning. There also may be minor fiscal issues that are identified as an area for improvement. At the invitation of the LSP's Executive Director, IHCDCA will also present the CAR final report to the LSP's Board of Directors. However, IHCDCA may also deem this step necessary if there is minimal progress throughout the MQIP process.

If the LSP is eligible for a MQIP, IHCDCA will set forth performance benchmarks to be included in the RAP, along with an anticipated completion date for the plan. IHCDCA will review the plan and work with the LSP to obtain an approved process to correct the listed deficiencies. Generally, the MQIP process can be completed within a program year and is quicker than a QIP. If progress on completing required actions listed on the RAP deviate from the accepted timeline or do not meet the stated objective, IHCDCA may determine the LSP is eligible for a QIP.

Quality Improvement Plan (QIP) (formerly called Corrective Action Plan)

A QIP is often financial in nature, triggered by substantial changes in the LSP's fiscal health. The LSP may have outstanding debt, unpaid vendors, unallowable costs and negative ratios. There may also be significant program deficiencies that need to be addressed such as the examples listed in the MQIP section above. LSPs are not required to have deficiencies in both the program and fiscal sections of the CAR, to be placed on a QIP. IHCDCA's process for assisting a LSP eligible for a QIP will follow the guidance set forth by Information Memoranda 116. The State is required to provide official notice to HHS of any LSP placed on a QIP. The State must also track progress on correcting deficiencies and training and technical assistance. Finally, the State will report the results of the IM 116 process.

For any LSP eligible for a QIP, the IHCDCA monitor will present the CAR monitoring report to the Board of Directors at the first available meeting after the LSP has been notified of its QIP eligibility. If the LSP is eligible for a QIP, IHCDCA will set forth performance benchmarks to be included in its RAP including an anticipated completion date for the plan. The submitted plan to IHCDCA must be approved by the agency's governing board. IHCDCA will review the plan and work with the LSP to obtain an approved process to correct the listed deficiencies.

Agencies who have been placed on a QIP will receive a higher level of scrutiny and monitoring from IHCDCA and/or its Contract Monitor(s): Agencies can expect the following:

- Progress checks based upon the established benchmarks

- Additional analysis and increased frequency of denial from Request for Purchases of equipment or services using CSBG funds
- Additional review of claims submitted for payment
- Additional on-site monitoring visits, as needed to check programmatic and fiscal progress which will include meeting with leadership staff and the Board of Directors. An exit conference will occur at the close of each on-site visit and a report will be issued within 15 days of each visit

Failure to complete the QIP will result in continued monitoring or a reduction or termination of the LSP's CSBG funding. Specifically, if the LSP fails to complete the QIP within multiple years, a final RAP will be required. Failure to successfully complete the final RAP may result in a reduction or termination of CSBG funding. **Please note: significant deficiencies related to financial health, program integrity or fraud, waste and/or abuse may escalate this timeline.** During the QIP process, IHCD A follows the action steps for Information memorandum (IM)-116.

The Information Memorandum (IM)-116

The IM-116 provides background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity. IHCD A must assure accountability and prevent waste, fraud, or abuse of CSBG funds for each recipient.

There is a series of steps taken by IHCD A throughout its investigation to assure compliance with the CSBG Act and applicable regulations cited in IM 116 or the IHCD A contract agreement. Once an LSP is placed on a QIP, IHCD A will notify the federal Office of Community Services (OCS). Ultimately, (A) LSP completes the necessary requirements of the QIP and will be removed from the QIP process or (B) IHCD A will provide adequate notice to the LSP and an opportunity to attend a public hearing for the reduction or termination of its funding due to failure to meet the RAP and timeline to resolve the deficiencies identified in the QIP.

After providing an opportunity for a public hearing, if IHCD A finds cause for termination or reduction in funding, the State may initiate proceedings to terminate the designation of or reduce the funding to the LSP. If IHCD A determines funding will be reduced or that eligibility for CSBG funds will be terminated, IHCD A must notify both its LSP and the HHS Secretary of the decision.

Reporting Requirements Table from the day of Exit Conference (calendar days):

Plan	IHCD A CAR Report Issued	LSP Response Due	IHCD A Response	LSP Response
RAP	30 days	30 days	15 days	15 days
MQIP	30 days	45 days	30 days	30 days
QIP	30 days	60 days	30 days	30 days

- After the second IHCD A response, the LSP must submit a written appeal on any undecided issues and/or provide an acceptable RAP
- Additional communications will be 15 days, unless otherwise indicated

In conclusion, IHCD A recommends that each LSP's leadership staff along with the governing board establish committees and conduct regular meetings to ensure that its organization is in good standing with each standard outlined in this document.

PART ONE-ORGANIZATIONALMANAGEMENT

Section 1: Maximum Feasible Participation for Operational Performance

Category One: Consumer Input & Involvement (3 points, 2 Bonus points)

Community Action is rooted in the belief that people with low incomes are in the best position to express what they need to make a difference in their lives. LSPs work in partnership with the people and communities they serve. Community Action works in a coordinated and comprehensive manner to develop programs and services that will make a critical difference in the lives of participants. Individuals and families are well attuned to what they need, and when Community Action taps into that knowledge, it informs our ability to implement high-impact programs and services. Research shows that through engagement in community activities such as board governance, peer-to-peer leadership, advisory bodies, volunteering, and other participatory means, the poor build personal networks and increase their social capital so that they are able to move themselves and their families out of poverty. Community Action is grounded in helping families and communities build this social capital for movement to self-sufficiency. (IM-138)

Standard 1.1 The organization demonstrates low-income individuals' participation in its activities.

Guidance

- The LSP should identify how it directly involves low-income individuals in the service delivery of its programs. For example: Head Start policy council, advisory boards or neighborhood councils, volunteering opportunities (i.e. parents), etc.
- This standard is meant to embody maximum feasible participation and go beyond the LSP's tripartite board membership (OS):
 - *"maximum participation of residents of low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities."* (CSBG Act)
- Demonstrate that the LSP provides regular participation of the poor and the affected area residents in the implementation of the programs (IC)

Authority: PL 105-285, Section 672 (2)(D), IC-12-14-23-9(8) (b) and IM 138 (1.1)

Interview: Executive Director, governing board and possible leadership staff

Provide: List, sign in sheets or meeting minutes of advisory boards/councils or volunteers denoting low income individuals

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 1.2 The organization analyzes information collected directly from low-income individuals as part of the community assessment and can demonstrate what methods are used to collect its data directly from low-income individuals which influence the character of the program.

Guidance

- This standard reflects the need for the LSP to talk directly with low-income individuals regarding the needs in the community (OS)
- Comment boxes, focus groups, interviews, community forums, customer surveys/ post cards (OS)
- Close-ended or multiple choice questions on customer surveys provide quantitative data that can be used in graphs or charts
- Open-ended questions on customer surveys ask respondents to provide answers in their own words and are designed to elicit more information than possible in a multiple choice or other close-ended format
- Annual reports, charts/graphs/spreadsheets of evaluated or compiled data
- Staff and/or board meetings, committee meetings, community forum etc. that document discussion of the results

- Demonstrate that there is a systematic way of collecting and utilizing data
- Customer satisfaction policy and/or procedures. (timing of collection, staff responsible, level of analysis, and process for reporting)
- Schedule for customer satisfaction data collection. (dates of dissemination, projected return dates, time scheduled for analysis, and date for presentation to the Board)

Authority: IC-12-14-23-9(8) (a) and IM 138 (1.2)

Provide: Surveys, notes or meeting minutes reflecting how information is collected and the discussion of the information

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 1.3 The organization can demonstrate that the customer satisfaction data is reported to the governing board.

Guidance

- Reporting to the governing board or appropriate committee meeting may be via written or verbal forms (OS), but should be documented in the meeting minutes

Authority: IM 82 and IM 138(1.3)

Provide: Board meeting minutes, including operational changes or customer satisfaction reports to the board

Value: Meets (1); Partially meets (.5); Does not meet (0)

Bonus Opportunity:

Standard 1.4 Organization has a current Grantee Plan submitted to IHCD.

Guidance

- The Grantee Plan serves as invaluable tool for guiding the LSP's annual plan for service delivery and is linked to the agency strategic plan
- Tripartite boards of both public and private entities should participate in the identification of what the agency hopes to accomplish each year (IM)
- The Grantee Plan Packet should be submitted within the established timeframe
- Demonstrate that all staff is trained to address common customer concerns and internal policies that cover how the organization manages its customer service issues (i.e. customer service manual or similar tool) such as limited English proficiency.

Authority: IM 82= annual planning, IHCD and IHCD CSBG Award Agreement (40) = limited English proficient persons or "LEP"

Evaluate: Grantee Plan Packet and submission date by the agency to IHCD

Provide: Customer Service Policy and Procedures Guide

Value: (1); Partially (.5); Does not (0)

Standard 1.5 Employees are annually surveyed about program operations, procedures and the work environment, to assist the LSP to create a better customer service/work experience.

Guidance

- Demonstrate that employees provide valuable insight on operations and specific challenges that are faced by the customer. Employee surveys provide the opportunity to create a stronger and more efficient organization.

Authority: Best Business Practice

Interview: Executive Director and Human Resource Manager

Provide: Blank employee survey

Evaluate: Review sampling of employee's completed surveys or survey results

Value: (1); Partially (.5); Does not (0)

Category Two: Community Engagement (6 points, 1 Bonus points)

No one service provider can meet all of a community's needs independently. Through formal and informal partnerships, ongoing community planning, advocacy, and engagement of people with low incomes; partners ranging from community and faith-based organizations, educational institutions, government, and businesses work together with Community Action Agencies and other LSPs to successfully move families out of poverty and revitalize communities. Community Action is often the backbone organization of community efforts to address poverty and community revitalization: leveraging funds, convening key partners, adding the voice of the underrepresented and being the central coordinator of anti-poverty efforts. It is not an easy role to play, but a vital one for families and communities. (IM-138)

Standard 2.1 The organization has documented or demonstrates partnerships across the community for specifically identified purposes; to link its clients to other services in the community that aid them in achieving self-sufficiency.

Guidance

- Partnerships or linkages are considered to be mutually beneficial arrangements (OS)
- In cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty (IC)
- The best example would be a partnerships that can be documented (i.e. coalition membership, MOUs, contracts, etc.) or partnerships that require joint planning or are in cooperation with community agencies and officials who are assigned actions to improve existing efforts to reduce poverty (IC)

Authority: PL 105-285.Section 676(b) (9), IC 12-14-23-9(5) (6), IM 49 and IM 138(2.1)

Evaluate: CSBG IS Report and NPI 4.1

Interview: Executive Director on partnerships that have been formed

Provide: list of partners/community outcomes

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 2.1.1 The organization can demonstrate that it regularly assesses partnerships in addition to identifying organization(s) within its territory which it does not have a partnership which will better serve its clients.

Guidance

- Describe and demonstrate how linkages are developed to fill identified gaps in services through provision of information, referrals or case management (PL)
- Documented discussion in governing board/leadership minutes or a formalized agency review process.
- This "partnership wish list" should be in comparison to the agency needs assessments and surveys

Authority: PL 105-285.Section 676(b) (3) and linked to IM 138(2.1)

Interview: Executive Director

Provide: Potential partnership action list (includes a description of what each organization would provide the LSP) or documented evaluation process

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 2.2 The organization utilizes information gathered from key sectors of the community in assessing needs and resources during the community assessment process or other times. These sectors would include at minimum: community-based organizations, faith-based organizations, private sector, public sector, and educational institutions.

Guidance

- Demonstrate activity in each of the 5 key sectors: community-based organizations, faith-based organizations, private sector, public sector and educational institutions over the agency's entire service area
- Representing the agency on community groups, schools, advisory boards, etc.

Authority: IM 138(2.2)

Evaluate: Documentation of phone calls, surveys, interviews, focus groups in agency files (hard copy or electronic) and reports from key partners (online/written)

Provide: Describe staff participation within the community including identifying the sector(s) engaged

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 2.3 The organization communicates its activities and its results to the community**Guidance**

- Demonstrates its ability to deliver performance results or to tell the organization's success story to the community.
- Effective messaging also creates awareness of what you do, highlights the needs of the community and promotes your community partners
- Utilizes an annual report, social media (i.e. Facebook, twitter, blogs, LinkedIn, e-newsletter, etc.), website or other print media (i.e. newsletters and publications, publicity releases, informational pamphlets and letters to the editor), etc.

Authority: IM 138(2.3) and linked to CSBG IS report

Provide: Annual report, news releases, etc.; to show which methods are being utilized

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 2.3.1 LSP publications clearly state that all services are provided without regard to race, age, color, religion, sex, disability, national origin, ancestry, or status as a veteran.**Guidance**

- All publicly posted information related to programs and services contain the above statement

Authority: 45 CFR Part (80, 84, 86 & 91) and IHCD/CSBG Award Agreement #17(c)

Evaluate: Agency website and printed materials

Provide: Annual report, news releases, brochures, etc..

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 2.4 The organization documents the number of volunteers and hours mobilized in support of its activities.**Guidance**

- Document the number and hours of governing board members, advisory board/council, or other activities where a volunteer or group is utilized
- This is a critical data element for local CAAs and national Partners as the Community Action story is communicated (NCAP)
- Each organization has, at a minimum, a volunteer Governing Board

Authority: IM 138(2.4) and CSBG IS Report

Evaluate: Tracking system(s) and review NPI 2.3 and 3.1

Provide: Annual list of volunteers and service hours

Value: Meets (1); Partially meets (.5); Does not meet (0)

Bonus Opportunity

Standard 2.5 Governing board establishes and maintains relationships or partnerships with public and private agencies.

Guidance

- Identify public or private resources and programs that may contribute to customer or agency outcomes (IM)
- Facilitate communication or coordination between the agency and the community (IM)

Authority: IM 82 and IM 138(2.1)

Provide: Governing Board members relationships/partnerships list with public and private agencies.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Recommendation

Standard 2.6 The organization conveys its message to the community utilizing a written public relations plan or guide.

Guidance

- Also called a Communications Plan
- Demonstrates a written plan for staff to refer to, which defines what methods will be used to manage crisis situation, media request to public information requests.
- Public Relations includes community relations and means those activities dedicated to maintaining the image of the non-profit organization or maintaining or promoting understanding and favorable relations within the community or public at large or any segment of the public (OMNI)

Authority: Best Business Practice and linked to IM 138(2.3)

Provide: Public relations plan or similar instrument

Value: Recommendation

Category Three: Community Assessment (1 point, 1 Bonus point)

Local control of Federal CSBG resources is predicated on regular comprehensive community assessments that take into account the breadth of community needs as well as the partners and resources available in a community to meet these needs. Regular assessment of needs and resources at the community level is the foundation of Community Action and a vital management and leadership tool that is used across the organization and utilized by the community to set the course for both CSBG and all agency resources. (IM-138)

Standard 3.1 The organization communicated its community assessment to its governing board, issued a report to the community within the past three years, and conducts an annual needs assessment to review its client's needs.

Guidance

- Also called a community needs assessment (CNA)
- Demonstrates that the IHCD provided Community Needs Assessment is reviewed by the governing board.
- Issues a report on the CNA to ensure that the results are shared with agency staff, partner organizations, other sectors, and the community at large
- Head Start creates a CNA survey every three years.
- Uses its own instrument to develop information concerning the problems and causes of poverty in the community (IC) and the needs and resources in the community (OS).
- Establishes priorities among projects, activities, and areas to ensure the best and most efficient use of resources (IC).

Authority: PL 105-285, Section 676(b) (11), IM 82, IC 12-14-23-9(2) (4) and IM 138(3.1)

Interview: Executive Director, governing board members and leadership staff on how the needs assessment is used

Provide: Localized community needs assessment

Value: Meets (1); Partially Meets (.5); Does not meet (0)

State Met Standards

Standard 3.2 As part of the community assessment, the organization collects and includes current data specific to poverty and its prevalence related to gender, age, and race/ethnicity for their service area(s)

Guidance

- IHCD provides a Community Needs Assessment to the LSP every three years.
- Community needs assessment includes the areas of gender, age and race/ethnicity.

Authority: IM 138(3.2)

Value: N/A – IHCD provided

Standard 3.3 The organization collects and analyzes both qualitative and quantitative data on its geographic service area(s) in the community assessment

Guidance

- IHCD provides a Community Needs Assessment to LSP every three years.
- The LSP analyses both qualitative and quantitative data.
 - **Qualitative:** Focus groups, interviews, community forums, etc. (OS)
 - **Quantitative:** Numeric information, e.g. census data, program counts, demographic information, other statistical sources, etc. (OS)

Authority: IM 138(3.3)

Value: N/A – IHCD Provided

Standard 3.4 The community assessment includes key findings on the cause and conditions of poverty and the needs of the communities assessed.

Authority: IM 138(3.4)

Value: N/A- IHCD Provided

Bonus Opportunity

Standard 3.5 Organization has “used” the community assessment information in determining needs and resources of its geographic area to target clients and services.

Guidance

- IHCD “gathers” this information during the Community Needs Assessment that it provides to LSP every three years.
- Board of Directors has reviewed and accepted the Community Needs Assessment provided by IHCD.
- LSP can demonstrate that it consults with neighborhood based organizations to assist the agency in planning, execution and evaluation of programming to address community needs.(IC)

Authority: IC-12-14-23-8, IM 138(2.2) and linked to IM 138(3.4)

Evaluate: Review evidence of data analysis through board or committee meeting minutes or notes, charts or graphs, annual reports etc.

Provide: List of community needs and resources derived from surveys, interviews, focus groups, team meetings, etc. that demonstrate how the needs assessment is used.

Value: (1); Partially (.5); Does not (0)

Section 2: Vision and Direction for Operational Performance Metric

Category Four: Organizational Leadership (9 points)

Community Action leadership is exemplified at all levels across the organization and starts with a mission that clarifies Community Action's work on poverty. A well-functioning board, a focused Chief Executive Officer (CEO)/Executive Director, well-trained and dedicated staff and volunteers giving of themselves to help others will establish Community Action as the cornerstone and leverage point to address poverty across the community. Ensuring strong leadership both for today and into the future is critical. This category addresses the foundational elements of mission as well as the implementation of the Network's model of good performance management (ROMA). It ensures CAA's have taken steps to plan thoughtfully for today's work and tomorrow's leadership. (IM-138)

Standard 4.1 The governing board has reviewed the organization's mission statement within the past 5 years and has preserved the following: A mission statement that addresses poverty; and the organization's programs and services are in alignment with the mission.

Guidance

- Language such as but not limited to low-income, self-sufficiency, economic security, etc. (OS)
- 5 year requirement meant to align with the strategic plan standards and help eliminate mission drift
- Expresses the agency's reason for existence.
- Governing boards are responsible for determining the overall mission or direction (IM)
- The organization's programs and services are in alignment with the mission
- Creating or reviewing mission statements can provide a focus for collaborative strategic planning among board members and agency leadership and staff, and a foundation for meaningful board oversight of agency operations and effectiveness (IM)

Authority: PI 105-285 Section 676 B (a)(1), IM 82 and IM 138(4.1)

Provide: Current organization mission statement and governing board meeting minutes or retreat

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.2 The organization's Grantee Plan is outcome based, anti-poverty focused, and ties directly to the community assessment.

Guidance

- Three elements – outcome-based (focused on outcomes or changes in status), anti-poverty focused (requirements and uses of CSBG); tied to the community assessment (CSBG Act)
- IHCD requires a current Grantee Plan Packet.
- A strategic plan should encompass a 3-5 year period and link directly to the needs of the community identified in the Community Needs Assessment

Authority: PL 105-285. Section 676(b) (11), IM 49 and IM 138(4.2)

Evaluate: Grantee Plan Packet provided by agency to IHCD

Interview: Executive Director and possible leadership staff

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.3 The organizations strategic plan can document the continuous use of the full Results Orientated Management and Accountability (ROMA) cycle or comparable system (assessment, planning, implementation, achievement of results, and evaluation). In addition, the organization documents having used the services of a ROMA-certified trainer (or equivalent) to assist in implementation.

Guidance

- Demonstrate the agency's use of all of the phases of the ROMA Cycle in its work
- Document annual assessments, planning, implementation, achievement of results, and evaluation.
- A scorecard or similar mechanism aids the agency in tracking outcomes and reporting progress to the governing board
- LSP determines the manner of involvement of the Nationally Certified ROMA Trainer (NCRT) or Nationally Certified ROMA Implementer (NCRI) such as strategic planning meetings, consultation on implementation, etc.

Authority: PL 105-285, Section 676(b)(12), IM 49 and IM 138(4.3)

Evaluate: Grantee Plan Packet/Strategic Plan for the ROMA cycle. ROMA trainer/implementer involvement through meeting minutes, written communication, invoice or contract.

Interview: Executive Director and on staff ROMA trainer, if applicable

Provide: Strategic plan notes, scorecard, meeting minutes and updates to agency and staff plans. Also, evidence of assistance by a Nationally Certified ROMA Trainer or Implementer.

Value: Meets (2); Partially Meets (1); Does not meet (0)

Standard 4.4 The governing board receives an annual update on the success of specific strategies included in the Grantee Plan Packet.

Guidance

- The Grantee Plan Packet (GPP) is specific to the current CSBG program year and its progress should be reviewed annually by the governing board.
- An annual plan is an attached document to the submitted Grantee Plan Packet.

Authority: IM 49, IM 82, IM 138(4.4) and linked to IM 138(9.3) and CAR Standard 5.9

Evaluate: Grantee Plan Packet annual plan attachment

Provide: Governing board meeting minutes or report reflecting updates to the Grantee Plan Packet.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.5 The organization has a written succession plan in place for its leadership staff, approved by the governing board, which contains procedures for covering an emergency/unplanned, short-term absence of 3 months or less, as well as outlines the process for filling a permanent vacancy.

Guidance

- Traditionally an organization has a succession plan in place for the CEO/Executive Director. This standard includes all key leadership staff as well as the CEO/ED.
- Typically a plan names interim leader(s), locations of critical organizational documents, communication plan, and important contacts (NCAP)
- Plans should be reviewed annually and changes made as needed (BBP).

Authority: Best Business Practice, IHCD, and linked to IM 138(4.5)

Evaluate: Key staff vacancies in relation to the established succession plan timelines. Leadership staff meeting minutes reflect succession planning review is part of the leadership development process.

Provide: Succession plan for all key leadership staff and evidence of approval by the governing board in meeting minutes. Evidence that plan has been updated within past two years.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.6 An organization wide comprehensive risk assessment has been completed within the last 2 years and has been reported to the governing board.

Guidance

- Process of identifying risks that threaten the achievement of the agency goals
- This is a comprehensive organization wide assessment (not specific to individual programs or department) to identify potential hazards and analyze contributing factors. There is no mandatory format but should include such items as technology, insurance, transportation, facilities, staffing, property, finances, competition, resources, etc.
- A risk assessment is generally followed by the implementation of a risk management plan.
- The risk assessment is more detailed than the Grantee Plan Packet's self-assessment
- The results are internal to the organization and therefore private (OS).
- LSP may refer to NCAP risk mitigation for T/TA

Authority: 2 CFR Part 200 subpart D, IM 82, IM 112, and IM 138(4.6)

Provide: Governing board meeting minutes reflecting discussion of the risk assessment and any subsequent planning.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.7 The organization has a plan for fundraising and fosters a revenue generating and donation philosophy.

Guidance

- Encourage business, labor, and other private groups and organizations to work together with public officials and agencies, activities in support of programs that will result in the additional use of private resources and capabilities (IC).
- Organization plans and conducts fundraising/revenue generating activities with governing board support. E.g. golf outing
- Organization develops a revenue diversification plan every two years. (IM)

Authority: IC 12-14-23-9(9)(b) and IM 49

Interview: Executive Director and governing board members describe fundraising philosophy or efforts.

Provide: A written philosophy, vision statements and governing board meeting minutes. A copy of the agency's current fundraising activities and fund diversification plan(s)

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.8 The organization has a current organizational chart that has been updated within the past 12 months.

Guidance

- Organizational chart list individuals in each position and all positions within the organization.

Authority: Best Business Practice

Provide: Current organizational chart

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 4.9 Organization has procedures in place for the regular review of Information Memorandum (IM) issued by the federal Office of Community Services (OCS) and CSBG grant terms and conditions.

Guidance

- It is important to keep current on the changing requirements that govern the organization.

Authority: Best Business Practice

Interview: Executive Director and possible leadership staff

Provide: Staff meeting minutes

Value: Recommendation

Standard 4.10 Services and/or training have been used from IN-CAA during the monitoring period.

Guidance

- IN-CAA has a contract with IHCD to provide technical training and assistance to the network to support agency operations
- IN-CAA provides training opportunities for governing board members, staff or volunteers on the many different areas that impact the organization

Authority: Best Business Practice

Provide: list of services/trainings utilized by the governing board, staff or volunteers

Value: Recommendation

Category Five: Board Governance (10 points, 3 Bonus points)

Community Action boards are uniquely structured to ensure maximum feasible participation by the entire community, including those the network serves. By law, Community Action boards are comprised of at least 1/3 low-income consumers (or their representatives), 1/3 elected officials (or their appointees), and the remainder private-sector community members. To make this structure work as intended, LSPs must recruit board members thoughtfully, work within communities to promote opportunities for board service, orient, and train and support them in their oversight role. Boards are foundational to good organizational performance and the time invested to keep them healthy and active is significant, but necessary. (IM-138)

Standard 5.1 The organizations Governing Board is structured in compliance with the CSBG Act based on the following: 1. At least one third democratically-selected representative of the low-income community; 2. one-third local elected officials (or their representatives); and 3. The remaining membership from major groups and interests in the community.

Guidance

- **Pre-requisite: minimum 15 members and a maximum of 51 members (IC)**
- Public (Elected) officials serve only while they are in office (IM-82)
- If the organization has a Head Start program, there is a representative who serves on the policy council or Board of Directors.
- Community is defined as officials, business, industry, labor, religious, welfare, law enforcement, education or other major groups and interest (CSBG ACT).
- Governing board bylaws outline the tri-partite requirements

Authority: PL 105-285.Section 676B (a)(2), IC 12-14-23-6(b)(c)(d), IM 82 and IM 138(5.1) and linked to Standard 5.5

Provide: Governing board roster including county represented, sector represented and appointment/expiration date

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.2 The organization's governing board has written procedures within its bylaws that document its democratic selection process for low-income board members adequate to assure that they are representative of the low-income community.

Guidance

- The implicit intent of this requirement is to insure that those who currently live in areas served by the agency are represented so that they have a strong voice in agency governance and direction and are able to convey to those they represent the presence and significance of community action in their lives. (IM)
- A democratic selection process is not limited to an election process. Examples of the democratic selection process may include: (1.) Election by ballots which are casted by agency clients and/or by other low-income people in the service area (ballots may also be casted at designated polling places in the service area, satellite offices or via internet; (2.) vote at a community meeting of low-income individuals; (3.) designation of one or more community organizations composed predominantly of and representing low-income individuals in the service area (Head Start policy council, low-income housing tenant association, board of community health center, etc.) to designate representatives to serve on the board (CSBG ACT).
- Bylaws may, but do not need to describe the democratic selection procedure. If not described in the bylaws, the selection procedure should be described in a separate document referred to in the bylaws and approved by the governing board. (CAPLAW)
- A community representative can be either someone who receives services or provides services to the low-income population.

- This representative should not be chosen by or voted onto the Board of Directors solely by the governing board.(CAPLAW)
- This individual should not be chosen by the Executive Director of another organization (CAPLAW)

Authority: PL 105-285.Section 676B (a)(2), IM 82 and IM-138(5.2)

Evaluate: Review written democratic selection process in bylaws and compare to election procedures of the most recent selection process.

Evaluate: Recent election documentation and board policy/ procedures manual

Provide: Bylaws or the written policy.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.3 The organization's bylaws have been reviewed by an attorney within the last 5 years.

Guidance

- Board members are not expected to be experts on state nonprofit law. With bylaws being the legal "rules of the road" for board and CAAs, it is critical that they comply with state law, the CSBG Act, and other relevant rules and regulations. (NCAP)
- There is no requirement that the attorney be paid (OS).
- Agencies are encouraged to work with a volunteer attorney or the governing board attorney prior to the legal review to minimize any cost.

Authority: IM 138(5.3)

Evaluate: Review attorney is not an employee or on the governing board which would create a conflict of interest

Provide: Evidence of practicing attorney review of the organization's bylaws.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.4 Organization's bylaws contain provisions for policies and procedures containing (at a minimum):

Guidance

- Governing boards are responsible for establishing policies that govern all aspects of the organization operations; including board bylaws (IM summary).
- Bylaws establish basic governance structure and rules of procedure for how the board operates; includes but not limited to a petition for adequate representation, conflict of interest procedures, quorum, attendance, standing committees, oversight of the CEO/ED, roles and responsibilities of the board, term or term limits and removal for cause.
- Bylaws should explain that the governing board has oversight of the CEO/Executive Director and provide details on how they will carry out that responsibility (e.g. annual performance appraisal and setting goals and expectation).
- State law requires a corporate name, agency locations, service area and the agency's purpose, to be included in the Articles of Incorporation.
- State law requires organization's to responsibly prepare meeting minutes, authenticate corporate records and a recall of officers, and this information should be included in the bylaws.
- Procedures should be in place for the low-income sector to petition the agency for adequate representation on the board (PL).
- Term limits of a director may not exceed five (5) years, except for designated or appointed directors (public sector). In the absence of a specified term in the bylaws, the term of a director is one (1) year (IC).

Authority: PL 105-285.Section 676(b)(10) = Petition for Adequate Representation; IM 82= Conflict of Interest and Attendance; IC 23-17-12-5 and referenced in the IHCD/CSBG Program Administration Manual 3.19 (b) =Term limits

Evaluate: Review bylaws for provisions and length of term for each member and that each minimum provisions are included.

Provide: Organization's bylaws

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.5 The organization's governing board meets at least 6 times per year, meets its quorum requirements and fills board vacancies within 90 days.

Guidance

- A board may meet more frequently but not less than those established in the bylaws. Document all meetings regardless of method (i.e. in-person, teleconference, special meetings, and retreats).
- A quorum needs to be in place for business to occur
- Vacancies lasting more than 90 days may affect and agencies compliance in meeting tri-partite board requirements established in IM 138(5.1)

Authority: IHCD, Agency Bylaws, IM 138(5.5) and linked to CAR Standard 5.4 and 5.12

Evaluate: Review governing board minutes and compare to the governing board attendance matrix.

Provide: Governing board attendance matrix (list each member, each board meeting, if the member was present and their attendance percentage)

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.6 Each governing board member has signed a conflict of interest form within the past 2 years.

Guidance

- As a fiduciary, a board member must put the interest of the CAA ahead of its own and avoid conflicts of interest (NCAP)
- There is no particular template. However, there should be a clear written policy to define actual and potential conflicts and allows for full disclosure to be documented. (e.g. places to list conflicts)
- Each form must be fully executed and signed by the governing board member

Authority: IM 82, IM 138(5.6) and Board Bylaws

Evaluate: Review signed conflict of interest statements against current governing board roster. Examine document for places that list potential financial, loyalty or other conflicts of interest.

Provide: Most recently signed conflict of interest statement from each board member.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.7 The organization has a process to provide a structured orientation for governing board members within 6 months of being seated.

Guidance

- Board orientation is a critical element of bringing a new board member up to speed.
- A verbal only process, does not allow for information to be consistently conveyed to each new governing board member, and is not considered structured.
- Documented orientation curricula may have organization specific elements including bylaws, fiduciary duties, role and responsibilities (IC), overview of each program, fiscal reports, sources of funding and introduction to ROMA. However, there is no specific requirement.
- Training may be delivered at board meetings, in person, special sessions or through electronic media (OS).

Authority: IM 82, IC 5-14-1.5-3.1(6) and IM 138(5.7)

Evaluate: Governing board member roster against signed orientation list during the monitoring period

Interview: Executive Director for the formal and non-formal process used by agency

Provide: Board orientation packet or written orientation procedures.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.8 The organization's governing board receives programmatic reports at each regular board meeting.

Guidance

- This standard does not require a report on each program at every board meeting; however it does call for some level of programmatic reporting at every board meeting (OS).
- Board minutes reflect that programmatic reports have been received and reviewed (reporting may be in writing and/or verbal) (OS).
- Boards are encouraged to stay informed of programs and activities, and receive periodic reports from staff that focus on progress towards achieving stated goals (IM)
- A Program Committee of the governing board is not required but can be a good place to "house" thorough program reviews with summaries coming to the full board.

Authority: IM 82 and IM 138(5.9)

Provide: Governing board pre-meeting packet for the month prior to monitoring and meeting minutes that reflect monthly discussion of program updates.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.9 Governing board fully participates in the development, planning, implementation, and evaluation of the organization.

Guidance

- Governing board makes agency policy and management carries out that policy (IM).
- Meeting minutes are contemporaneous written record describing what transpired at a board or committee meeting (CAPLAW).
- Meeting minutes create and preserve institutional memory (CAPLAW) which can be used by future governing boards to determine actions/decisions taken.
- Documentation can be provided which illustrate board questions, comments, concerns and involvement in the decision making process for major changes within the agency.
- Dashboard is a method in which the agency can document board participation

Authority: PL 105-285.Section 676B (a)(1) and IM 82

Evaluate: Governing board minutes during the monitoring period for full participation of the governing board.

Interview: Executive Director and governing board members

Provide: Governing board minutes

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.10 Governing board members participate in the CAR visit and are interviewed by the IHCD monitor.

Guidance

- The organization should schedule approximately one and a half hours for at least two (2) Board of Director's to meet with the IHCD monitor(s).
- This meeting is independent of staff.
- The meeting should be set up and the time should be provided to the monitor during the entrance conference.
- Phone interviews or video conferencing are an option, but not preferred

Authority: IHCD

Provide: Governing board members

Value: Meets (1); Partially meets (.5); Does not meet (0)

Bonus Opportunity

Standard 5.11 The organization documents that each governing board member has received a copy of the bylaws within the past two years.

Guidance

- This Standard is limited to receipt of the bylaws only
- The copy can be an electronic or hardcopy distribution (OS)

Authority: IM 138(5.4)

Provide: Signed and dated acknowledgement of receipt, email confirmation for each member or dated signature list

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.12 Governing board ensures compliance with the attendance policy established in the organization's bylaws.

Guidance

- Telecommunications and other technological devices have assisted board communication (IM) and allow board members to participate remotely. *Refer to IC 5-14-1.5-3.6 for details.*
- The fiduciary responsibility of a board requires regular attendance at both board and committee meetings (IM). The attendance policy establishes regular attendance requirements and is the mechanism in which to monitor that responsibility.

Authority: IM 82 and linked to IM 138(5.5)

Evaluate: Attendance matrix and compare against organizations bylaws and meeting minutes

Provide: Governing board attendance matrix (list each member, each board meeting and if attended)

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 5.13 Governing board reviewed and discussed the previous CAR monitoring report.

Guidance

- One of the most critical stakeholders in assuring adherence to established organizational standards is the governing board which oversees operations on behalf of the community (IM-138).

Authority: IM 82 and IM 138

Provide: Governing board meeting minutes for discussion of last CAR visit.

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Recommendation

Standard 5.14 Current governing board members have been provided with training on their duties and responsibilities within the past two years.

Guidance

- Ongoing training is vital for any position, especially one as important as a governing board member.
- Board members are trained to carry out both the legal or fiduciary aspects of their service and their leadership responsibilities.(IM)
- Organizations should conduct their own in-house (special meetings) or may make available online (webinars) or outside (community-based, presentations, certification, or conference) training.
- IHCD provides funding for training opportunities for governing board members through its annual contract with the State Association and other vendors.

- Board training topics may include fiduciary responsibilities (bylaws, finance, role of the ED), board roles and responsibilities (assessments, planning, fundraising,) and ROMA (IM)
- Governing board conducts a comprehensive self-evaluation by its members to determine strengths and areas of improvement which will guide the CEO/ED in establishing training opportunities.

Authority: IM 82 and IM 138(5.8)

Interview: Executive Director and governing board members

Provide: Training agendas/content, presenter(s) and documentation of board attendance or board minutes reflecting the training received. Blank self-assessment form.

Value: Recommendation

Category Six: Strategic Planning (4 points)

Establishing the vision for Community Action is a big task and setting the course to reach it through strategic planning is serious business. LSPs take on this task by looking both at internal functioning and at the community's needs. An efficient organization knows where it is headed, how the board and staff fit into that future, and how it will measure its success in achieving what it has set out to do. This agency-wide process is led by the Board of Directors and is ongoing. A "living, breathing" strategic plan with measurable outcomes is the goal, rather than a plan that gets written but sits on a shelf and stagnates. Often times an ambitious vision and strategic plan can set the tone for the staff and board. (IM-138)

Standard 6.1 The organization has an agency-wide strategic plan in place that has been approved by the governing board within the last 5 years. The approved strategic plan addresses reduction of poverty, revitalization of low-income communities, and/or empowerment of people with low incomes to become more self-sufficient.

Guidance

- Strategic planning focuses on medium to long term goals and is distinct from an annual plan (GPP), representing program and operational goals
- Elements of a good plan; anticipate and head off challenges, unify people and strategies, mobilize and/or focus resources, support decision making, set context for accountability and generates energy and confidence (NCAP)
- Intended to be an organizational-wide document, not a list of individual program goals (OS).
- If the current plan will expire within 6 months of the monitoring visit, the agency should be able to show evidence that a new plan is underway.
- Governing board has received updates on progress meeting the goals of the strategic plan within the past 12 months (IM 138/6.5)
- Must be approved by the full governing board and not a subcommittee planning committee

Authority: IM 49, IM 82, IC-12-14-23-9 (1), IM 138 (6.1), IM 138(6.2) and linked to IM 138(4.3 and 6.5)

Evaluate: Review strategic plan effective dates to ensure the plan is current and board minutes illustrate that the plan is tracked by staff and board.

Provide: Strategic plan and governing board meeting minutes reflecting approval

Value: Meets (3); Partially meets (1-2); Does not meet (0)

Standard 6.2 The approved strategic plan contains measurable Family, Agency, and/or Community goals.

Guidance

- These goals are set out as part of ROMA and provide the framework for the National Performance Indicators (OS). Family, Agency and/or Community is associated with each strategic plan action step to show the connection between the goal and ROMA. The organization should track ROMA goals as part of the strategic plan.
- Measurable goals indicate that stated outcomes can be tracked by the characteristics of frequency, duration, accuracy, speed or intensity.
- ROMA establishes a well written outcome indicator as SMART; Specific, Measurable, Attainable, Relevant and Time specific; which assist in identifying Who, What, When and How.

Authority: PL 105-285.Section 676(b)(12), IM 49, IM 138(6.3) and linked to IM 138(9.2)

Evaluate: Each strategic plan goal is associated with Family, Agency and/or Community. In addition, each goal can be measured.

Provide: Strategic plan and/or strategic plan action steps

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Recommendation

Standard 6.3 Customer satisfaction data and customer input, collected as part of the community assessment, is included in the strategic planning process.

Guidance

- “Knowing the customer” is critical to implementing the ROMA framework
- Links Community Assessment with Strategic Planning (OS)
- Engaging customers during the needs assessment and strategic planning process builds key relationships and opportunities for participation in other activities (NCAP)

Authority: PL 105-285 Section 676 (b)(12) and IM 138(6.4)

Evaluate: Documentation to confirm customer satisfaction data was included in the strategic planning process

Provide: Strategic plan appendices/reference list or strategic planning notes

Value: Recommendation

Section 3: Operations and Accountability for Operational Performance Metric

Category Seven: Human Resource Management (18 points, 1 Bonus points)

The human element of Community Action's work is evident at all levels of the organization and the relationship an organization has with its staff often reflects the organization's values and mission. Oversight of the CEO/ED and maintaining a strong human resources infrastructure are key responsibilities of board oversight. Attention to organizational elements such as policies and procedures, performance appraisals, and training lead to strong organizations with the capacity to deliver high-quality services in low-income communities. (IM-138)

Standard 7.1 The organization has written personnel policies that have been reviewed by an attorney and approved by the governing board within the past 5 years.

Guidance

- Also called Employee handbook
- Policies need to be comprehensive to cover changing and diverse HR law and regulations. They are the foundation of strong HR management and reflect the values and expectations of the agency (NCAP)
- Attorney are encouraged to have expertise with Human Resource (OS)
- There is no requirement that the attorney be paid (OS)
- Agencies are encouraged to work with human resource professionals or attorneys on staff or the board prior to the legal review to minimize cost (OS)

Authority: IM 82 and IM 138(7.1)

Evaluate: Evidence of attorney review within the last 5 years

Provide: Invoice for services, governing board meeting minutes, etc.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.2 The organization makes available the employee handbook (or personnel policies in cases without a handbook) to all staff and notifies staff of any changes.

Guidance

- May be made available electronically (intranet, shared server, or distributed via email) or print formats (OS)
- Staff signed an acknowledgement of receipt

Authority: IM 138(7.2)

Evaluate: Random sampling of employee files for a signed employee acknowledgement/receipt form.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.3 The governing board establishes annual written goals and/or expectations and conducts a performance appraisal of the CEO/Executive Director within each calendar year.

Guidance

- Clarifies expectation of the Board to provide HR oversight to its only employee: the CEO/ED
- May be accomplished through committee or the full board
- Performance evaluations must be written, but no specific appraisal tool is required.
- Governing board demonstrates that the CEO/ED is supervised directly and that there is regular communication of their goals and expectations.

Authority: IM 82 and IM 138(7.4)

Evaluate: Written performance evaluation of the CEO/Executive Director was completed within the last year (performance evaluation will be viewed on-site).

Interview: Executive Director, governing board members and Human Resource Manager

Provide: Executive committee or governing board minutes reflecting performance evaluation was conducted and a blank copy of the assessment tool.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.4 The organization has a policy in place and conducts an annual written evaluation of employees by their supervisors.

Guidance

- Ensures accountability and improved performance over time
- Requires a policy in place
- Performance evaluations are written, but no specific appraisal tool is required.

Authority: IM 138(7.6)

Evaluate: Review employee handbook for the performance evaluation policy. Random sampling of employee personnel files for employee evaluations.

Provide: Blank performance evaluation assessment form(s)

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.5 Personnel Policy and Procedures Manual or Employee Handbook incorporates at least the following conditions:

- A. Whistleblower policy
- B. Leave of Absence policy
- C. Discipline and Termination policy
- D. Travel policy
- E. Non-discrimination policy
- F. Conflict of Interest policy
- G. Code of Conduct/Code of Ethics policy
- H. Nepotism policy
- I. Work day (hours) and week description
- J. Overtime policy
- K. Exempt or Non-Exempt classifications
- L. Valid drivers' license policy while operating agency owned- Vehicle policy
- M. Employee Performance Evaluation policy
- N. Drug-free workplace statement
- O. Information protection & confidentiality policy

Guidance:

- A whistle blower policy encourages individuals to come forward with credible information on illegal practices or violations of adopted policies and specifies the agency will protect individuals from retaliation. (Sarbanes-Oxley)

Authority: IM 82, IM 138(7.7), OMNI Circular and IHCD Award Agreement 17A, 19 and 23

Provide: Personnel Policy and Procedures Manual or Employee Handbook and Drug-free awareness program information

Value: Meets (10); Partially meets (1-9); Does not meet (0)

Standard 7.6 All staff participates in a new employee orientation within 60 days of hire.

Guidance

- Ensures smooth transition from hiring process to onboarding and training for all staff into the organization (NCAP)
- There is no curricula requirement. Content may include time and effort reporting, ROMA, data collection, mission, CSBG history and/or community action, job description and performance expectations, education and training, tools and resources, emergency action planning, and review of the employee handbook/personnel policies
- This may be met individually or in a group orientation (OS).
- The date of hire is established on the employee I-9.

Authority: IM 138(7.8)

Evaluate: Random sampling of new employee personnel files for signed employee orientation documentation

Interview: Human Resource Manager

Provide: List of all employees hired within last two years (since last CAR) and an employee orientation agenda.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.7 Emergency Action Plan(s) have been developed for each organization's site to provide guidance for all staff.

Guidance

- An emergency action plan is designed to define emergency procedures and staff roles and responsibilities for the safety of all employees and guests.

Authority: OSHA 29 CFR 1910.38

Evaluate: Posted Emergency Evacuation plan (component of Emergency Action Plan or safety manual)

Provide: Emergency Action Plan for each site

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.8 Potential employees are subject to the organizations accountability standards prior to hiring.

Guidance

- Character references are required and checked.
- I-9 and/or e-verify checked (www.uscis.gov/i-9) .
- Indiana limited criminal history check (Indiana sheriff registry, local law enforcement check and fingerprint-based background check).
- National Sex & Violent offender registry checked.
- Optional drug testing
- Employee personnel files are separate from employee medical files

Authority: OMB Circular 1615-0047, U.S. Citizenship and Immigration and IHCD/CSBG Award Agreement #43 (I-9) and Best Business Practices

Evaluate: Sampling of new employee personnel files for new hire checklist and orientation. Also review employee I-9.

Provide: New hire checklist.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 7.9 Organization carries workers compensation insurance coverage on all employees and provides annual training to reduce workplace accidents.

Guidance

- Grantee provided Workers Compensation and Unemployment Compensation as required by law (IHCD) and is posted in common area.
- OSHA Form 300A posted (January through April) and placed in the agency file for 5 years.

Authority: IHCD/CSBG Award Agreement #12(c) and OSHA 1903.2

Evaluate: OSHA Form 300A, workers compensation and in-service training records
Workers Compensation Insurance Certificate

Interview: Human Resource Manager

Value: Meets (1); Partially meets (.5); Does not meet (0)

Bonus Opportunity

Standard 7.10 The organization conducts or makes available staff development/training (including ROMA) on an ongoing basis.

Guidance

- There are no specific requirements for training topics (OS), but it is recommended to focus on areas within the organization that may need attention or further develop specific staff skills.
- There is no specific requirement for a delivery method. Examples of training and/or development delivery methods via third party or the agency include in-house, community-based, conference, online, etc..
- Customize training opportunities to development areas identified in individual performance evaluations
- This should be documented in the employee personnel file (OS)

Authority: IM 138(7.9)

Evaluate: Random sampling of employee personnel files for employee training documentation or annual training plan, log, list or summary report

Interview: Human Resource Manager

Provide: Annual training plan, log, list or summary report

Value: Meets (1); Partially meets (.5); Does not meet (0)

Recommendations

Standard 7.11 The organization has written job descriptions for all positions, which have been updated in within the past 5 years.

Guidance

- Ensures job direction and accountability
- Job descriptions for each type of position, not each staff person (OS).
- Should include; job title, minimum qualifications, reporting relationship, summary/purpose, essential duties, additional duties, supervisory responsibilities, working conditions, and EEO/ADA conditions

Authority: IM 138(7.3)

Evaluate: Job descriptions compared against organizational chart. Ensure all job descriptions have been updated or reviewed within last 5 years.

Interview: Human Resource Manager for process to update job descriptions

Provide: Job description for each type of position and organizational chart, evidence that descriptions have been reviewed within last 5 years (i.e. date of last revision, signed acknowledgement by staff etc.)

Value: Recommendation

Standard 7.12 The governing board reviews and approves the CEO/Executive Director compensation within every calendar year.

Guidance

- Promotes minimum uniform schedule for executive pay
- The compensation review and approval often happens in conjunction with the performance evaluation (OS), established in CAR Standard 7.3 (IM 138/ 7.4)
- This includes salary, fringe, health and dental, expense/travel account, vehicle, etc.(OS)

Authority: IM 82 and IM 138(7.5)

Evaluate: Governing board meeting minutes reflecting approval within the calendar year.

Provide: Governing board minutes or CEO/Executive Director contract reflecting the information was reviewed within the last year or official board communication to the executive

Value: Recommendation

Standard 7.13 Performance evaluations of leadership staff are directly linked to the organizations performance targets or outcomes assigned by the CEO/Executive Director.

Guidance

- Strategic Plan establishes the direction and action items required that are reflected in each leadership staffs' performance goals.

Authority: IM 49, IM 82 and IM 138(7.6)

Evaluate: Random sampling of leadership staff employee personnel files for employee evaluations and compare with strategic plan and/or department goals.

Interview: Executive Director

Provide: Strategic Plan or Department Goals

Value: Recommendation

Standard 7.14 Safety Data Sheets (SDS) is maintained by the organization.

Guidance

- Formerly called Material Safety Data Sheets (MSDS)
- Review the OSHA website (www.osha.gov) Frequently Asked Questions for special circumstances that do require Hazard Communication (HAZCOM) for specific office environments.
 - Office workers who encounter hazardous chemicals only in isolated (intermittent or occasional) instances are not covered by this rule (i.e. pens, pencils, adhesive tape and toner)
 - OSHA does not require that SDS sheets be provided to purchasers of household consumer products when used in the workplace in the same manner that a consumer would use them (i.e. Windex and White Out)
- These documents should be held in a binder and accessible to all staff.

Authority: OSHA 29 CFR 1910.1200

Evaluate: SDS binder (on site)

Value: Recommendation

Category Eight: Financial Operations and Oversight (13 points, 1 Bonus point)

The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration. Community Action boards and staff maintain a high level of fiscal accountability through audits, monitoring by State and Federal agencies, and compliance with Federal Office of Management Budget circulars. The management of Federal funds is taken seriously by organization and the Standards specifically reflect the board's oversight role as well as the day-to-day operational functions. (IM-138)

Standard 8.1 The organization's annual audit (or audited financial statements) is completed by a Certified Public Accountant, approved by IHCD, on time in accordance with Title 2 of the Code of Federal Regulations, Uniform Administrative Requirements, Cost Principles and Audit Requirements and/or State audit threshold requirements.

Guidance

- Financial statements are the responsibility of management. The independent audit firm's responsibility is to express an opinion on the provided financial statements (WIPFLI)
- Audits provide impartial opinions and assessments of company records, processes and procedures. Audits are not designed to find fraud within an agency

If No:

Guidance

- Annually establish separate audit (or finance) committee with at least one "financial expert" to do a general review of LSPs' finances.
- Audit agrees with IRS Form 990

Evaluate: Review committee financial report to the governing board.

Provide: Annual audit or audited financial statement

Value: Not Applicable (N/A) or Meets (1); Partially meets (.5); Does not meet (0)

If Yes:

Guidance

- Audit committee with at least one "financial expert" should oversee the audit company and review the audit (S-OA).
- Management and governing board members should always inquire what type of independent audit report is being issued (unmodified, qualified, disclaimer, adverse)

Authority: OMB A-133, IM 82 and Sarbanes-Oxley Act, non-profit provision

Provide: Most recent audited financial statement.

Value: N/A or Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.2 The organization's auditor presents the audit to the governing board and the audit is accepted.

Guidance

- The process of reviewing the audit report and ensuring the appropriateness of the response indicates a high level of functionality of the board
- The governing board should take formal action receiving and accepting the audit. This process shows the governing board has accepted the results of the audit and commits itself to take action to correct any issues noted in the report established in CAR standard 8.15 (IM 138-8.2)
- This standard requires presentation to the full governing board, but this does not require that the full board receive the same level of detail that was discussed with a committee.
- Auditor may make presentation in person, webinar or conference call.

Authority: OMB Circular A-133, IM 82, IM 138(8.3), and IM 138(8.4)

Evaluate: Review report to the governing board

Provide: Governing board meeting minutes reflecting auditor presentation and acceptance of the audit report.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.3 The organization has solicited bids for its audit within the past 5 years.

Guidance

- Agency is not required to switch auditors or partners, only that the audit is put out for bid (OS).
- The procurement process should follow the entity's procurement policy
- Factors to be considered in evaluating each proposal for audit services include the responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of peer and external quality control reviews, and price (NCAP)

Authority: IM 138(8.5)

Evaluate: Agency procurement policy and the most recent audit RFP with scoring grid/evaluation sheet.

Provide: A copy of the request for proposals prepared by the agency and the governing board meeting minutes showing vote on the awarded auditor.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.4 The governing board receives financial reports at each regular meeting that include the following: 1. Organization-wide report on revenue and expenditures that compares budget to actual, categorized by program; 2. Balance sheet/statement of financial position; and 3. The IRS Form 990 is completed annually and made available to the governing board to review.

Guidance

- As a requirement to maintain its tax exempt status the agency must file an annual informational return with the IRS, Form 990 which focuses on accountability and governance of the non-profit organization not determining a bottom line to compute income tax.
- The governing board should be involved in monitoring the financial stability and use of financial resources on an on-going basis.
- Frequent reports to the board by agency staff on overall agency fiscal status, procedures, practices and transactions (IM)
- At a minimum, the governing board should receive two reports – budget versus actual for revenues and expenditures and the balance sheet or statement of financial position

Authority: IM. 82, IM 138(8.6) and IM 138(8.7)

Evaluate: Review governing board minutes for financial reporting and review of IRS Form 990.

Provide: Governing board pre- meeting packet with financial reports and IRS Form 990

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.5 All required filings and payments related to payroll withholdings are completed on time.

Guidance

- Agencies have a requirement to comply with the employment laws of the United States and the further requirements of the state or states where that agency conducts its operations
- Includes Federal, State and local taxes, as well as insurance and retirement (OS).
- Insurance documentation includes health, disability, and flex accounts.
- Failure to make these required payments in a timely manner can subject the agency to fines and other forfeitures.

Authority: IM 138(8.8)

Evaluate: Review payroll tax returns, retirement plan documentation, health plan documentation, etc...

Provide: Payroll tax documentation/filings, Insurance documentation including amounts due (liability), retirement account documentation, including amounts due (liability) and record of payment to State, Federal, Insurance and Retirement accounts.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.6 The governing board annually approves an organization-wide budget.

Guidance

- A budget is the financial plan for an organization for the upcoming fiscal year. It is a basic component of running any organization to have a plan for where you are trying to go.
- This agency-wide approach provides management, the governing board, and funders the ability to see the full cost of the programs offered but is not quite as simple as adding the results of all grants together and calling it an agency-wide budget.
- Budget is approved prior to the start of the organizations fiscal year.

Authority: IM 82 and IM 138(8.9)

Evaluate: Governing board meeting minutes

Provide: Minutes of the Board meeting with the actual approval action indicated from the governing board

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.7 The fiscal policies have been reviewed by staff within the past 2 years, updated as necessary, with changes approved by the governing board.

Guidance

- Policies are in place to provide effective controls over and accountability for all funds, property and other assets and to adequately safeguard all such assets and assure they are used solely for authorized purposes (2 CFR Part 200 subpart D).
- Describes how to dispose of inventory over \$5,000.
- Includes procurement policy that has been board approved within the last 5 years.
- Includes inventory policies which segregate duties of staff acquiring inventory and who inspects inventory.
- Provides a complete outline of segregated fiscal responsibilities and the organization's internal controls.
- Required minimum written procedures should include records retention requirements. Payment, allow ability cost, conflict of interest, property record, travel reimbursement, and fringe benefits. Additional policies may include information technology and software security and access, general journal control, financial statement preparation, accounting and financial estimates, cash control and reconciliation, grant administration and reimbursement request process, cost sharing, match and in-kind accounting, fundraising, billing and invoicing, accounts payable management, credit card procedures, payroll, investment, debt management, budgeting, audit and insurance (Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards)

Authority: IM 82, IM 138(8.10) and 2 CFR Part 200 subpart D

Evaluate: Review Fiscal Policy and Procedures manual for updates, staff leadership and/ or governing board minutes.

Provide: Fiscal Policy and Procedures manual and meeting minutes.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 8.8 A written procurement policy is in place and has been reviewed by the governing board within the past 5 years

Guidance

- Procurement policy may be part of the fiscal policies manual, it does not need to be a separate document (OS).

- Agency must use its own documented procurement procedures (OMNI 215), which should include at least methods for micro purchase, small purchase, sealed bid, competitive proposal and non-competitive proposal
- Provides standards of conduct governing the performance of its employees engaged in the award and administration of contracts (OMNI 215), Procurement transactions to be conducted provide to the maximum extent possible, full and open competition.
- Competitive bidding procedures should be used for large financial transaction situations in which board members or agency staff members have an interest (IM).
- Ensures positive efforts are made to utilize small business, minority owned firms and women business enterprises.
- Procurement follows established policy set forth in the CSBG contract for purchases over \$5,000 and service contracts over \$25,000.

Authority: OMNI Part 215.44(a), IM 82, IM 138(8.11), 2 CFR Part 200 subpart D and IHCD A

Evaluate: Review procurement policy and procedures and governing board meeting minutes

Provide: Procurement policy and procedures and governing board minutes reflecting review of the procedures

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 8.9 The organization documents how it allocates shared costs through an indirect cost rate or through a written Cost Allocation Plan.

Guidance

- Cost allocation and indirect cost rates are not the same thing
- Plan should include explanations or footnotes supporting the methodology that was used to allocate indirect costs.
- This document should be a permanent part of the agencies accounting procedures.
- Document should specify indirect versus direct cost.
- Document should specify cost drivers.
- Examples allocation bases: clients served, facility rent- square footage per program, Full Time Equivalents (FTE's) per program, labor hours, labor dollars, number of phones, number of computers, computer key strokes utility costs – square footage used by each program, etc.
- Costs cannot be allocated on a budget
- Unallowable cost cannot be allocated
- Indirect costs can be a home for fraud

Authority: OMNI Part 230, IHCD A/CSBG Award Agreement #4(d), IM 138(8.12) and 2 CFR Part 200

Provide: Cost Allocation Plan and financial statements and reimbursement claims

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 8.10 Organization provides a bond or insurance coverage for all persons who will be handling funds or property received or disbursed in the amount equal to one-half of the total funds provided or \$250,000, whichever is less and has a minimum of \$500,000 general liability insurance coverage for bodily injury and property damage.

Guidance

- Should be effective for the period of the agreement plus three years.
- Must provide protection against losses resulting from criminal acts and wrongful and negligent performance of duties.
- Specify IHCD A as an additional insured.

Authority: IHCD A CSBG Award Agreement #12(d)/(e)

Evaluate: Review Certificate of Insurance or bond or general coverage binder to ensure organizational coverage and protection.

Provide: Certificate of Insurance or bond for each employee or general coverage binder

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 8.11 Organization funds are tracked separately by contract and by program and each program has its own budget.

Authority: Generally Accepted Accounting Principles, OMNI Part 215.25, and Best Business Practice

Evaluate: Review financial record keeping posting dates and compare to monitoring date, individual program budgets for CSBG programs

Provide: Organizations financial records

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 8.12 Organization has a chart of accounts organized by program and also has a purchase record keeping system.

Authority: OMNI Part 215.46 and Best Business Practice

Provide: Chart of accounts for organization and if applicable the program. Purchase record system information or Fiscal policy and procedures manual

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 8.13 Governing board and IHCD has been notified of any employee fraud investigation(s) during the monitoring period or fraud procedures are in place.

Guidance

- LSPs should notify IHCD if it suspects an employee of fraud and prior to any investigation.
- LSP should have fraud prevention, deterrent and investigation procedures within its fiscal or personnel policy and procedures

Authority: 2 CFR Part 200 subpart D (200-328) and IHCD

Interview: Executive Director and governing board members

Provide: If yes, provide supporting documentation

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Bonus Opportunity

Standard 8.14 CSBG funds are not used for matching with any other federal or programs.

Guidance

- CSBG dollars may only be used as match under HUD's McKinney-Vento Homeless Assistance Act, if used for purposes and in accordance with CSBG law (IM). These activities require prior IHCD approval.
- Means portion of project or program costs not borne by Federal Government (OMNI 215)

Authority: OMNI Part 215.23

Evaluate: Review all programs that receive matching funds

Provide: list of programs receiving multiple federal or state funding with funding percentages

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Recommendation

Standard 8.15 All findings from the prior year's annual audit have been assessed by the organization and addressed where the governing board has deemed it appropriate.

Guidance

- Prompt action was taken to address instances of noncompliance identified in audit findings
- When the audit is complete, the board should receive the audit report and management should provide any plans necessary to address any findings noted in the audit.
- If a finding from a prior year is not appropriately addressed by an entity before the next audit, the lack of timely response becomes even more significant. If this occurs, the entity would then have two findings in the subsequent audit. The first would be the original finding and the second would be that there was no system in place to resolve findings and make corrections.
- Findings are those noted in the report, not the Management letter (OS).

Authority: OMB Circular A-133, IM 138(8.2) and 2 CFR Part 200 Subpart F

Evaluate: Review governing board discussion and decisions at regular board meeting with decisions and resolutions noted in the minutes or the organizations response letter.

Provide: Agency response to the audit or governing board minutes.

Value: Recommendation

Standard 8.16 The organization has written policy in place for record retention and destruction.

Guidance

- Policy should be for both electronic and physical documents (OS).
- Policy may be stand-alone or part of other agency policies (OS).
- Retention schedules clearly state how long a record must legally be kept and whether the record is archival. Retention schedules also provide guidelines for moving files to inactive storage and for purging obsolete records.
- The provisions in Sarbanes-Oxley that apply to a records retention policy state that an organization must have in place a policy that informs employees of the need to retain their correspondence and other documents, when a legal investigation is in process.
- IRS Form 990 asks "Did the organization have a written document retention and destruction policy?" (Question 14, Section B, Part VI).

Authority: Sarbanes-Oxley Act, non-profit provision, IRS Form 990 and IM 138(8.13)

Evaluate: Record Retention and Destruction policy

Provide: Record Retention and Destruction policy

Value: Recommendation

Category Nine: Data and Analysis (2 points, 1 Bonus point)

Our LSPs move families out of poverty every day across this country and need to produce data that reflects the collective impact of these efforts. Individual stories are compelling when they combine quantitative data: *no data without stories and no stories without data*. LSPs need to better document the outcomes our families, agencies and communities achieve. The CSBG funding confers the obligation and opportunity to tell the story of agency-wide impact and community change and in turn the impact of the network as a whole. (IM-138)

Standard 9.1 The organization has a system or systems in place to track and report client demographics, services customers receive and family, agency, and/or community outcomes. The information is reported to IHCD on time.

Guidance

- This a reporting component of the CSBG IS report.
- Ensures the agency has the ability to identify the number of people being served by the agency as a whole, to collect demographic information about these customers and also to identify the services that are provided.
- These goals are set out as part of ROMA and provide the framework for the National Performance Indicators (OS).
- This standard ensures that the ROMA goal is tracked where Standard 6.3 is that the strategic plan reflects ROMA for each goal

Authority: CSBG IS Report, IHCD, IM 138(9.1 and 9.2) and linked IM 138(9.4)

Evaluate: Organization's comprehensive data collection/tracking system is in place (and in use) that includes demographic and service provisions. In addition, that the information has been submitted to IHCD on time.

Provide: Data system documentation

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Standard 9.2 An accurate and unduplicated count of individuals served for all programs is available.

Guidance

- Organization should have a documented system (written or software) to show how the unduplicated count is achieved.

Authority: CSBG IS report

Evaluate: Review unduplicated count procedures or system

Provide: Unduplicated count procedures or system

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Bonus Opportunity

Standard 9.3 Final comprehensive reports are annually generated for each program

Guidance- This is a snap shot of each program and should contain:

- Program statistical information
- Program successes and weaknesses based upon overall LSPs goals and strategies
- Customer and staff survey/comments
- Program improvements or changes to be implemented
- The comprehensive report documents the ROMA cycle for each program

Authority: IM 49 and Best Business Practice

Evaluate: Each annual program report for the previous program year.

Provide: End of year program reports

Value: Meets (1); Partially Meets (.5); Does not meet (0)

Categories 1-9

Section Total Points Possible: 66

Bonus Points: 10

Section Total Possible w. Bonus: 76

PART TWO- ORGANIZATIONAL ANALYSIS

Section 4- Allocation for Fiscal Performance Metric

Category Ten: Inventory Analysis (10 points)

Standard 10.1 Organization can document how its equipment with a current per unit fair market Value in excess of \$5,000 or more disposed of.

Guidance

- Disposition policy may be a part of the procurement policy

Authority: OMNI Part 215.34

Provide: Disposition Policy (may be part of the Fiscal Policy and Procedures manual)

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Standard 10.2 Schedule of inventory, capital equipment and usable property purchased with federal or state funds are compiled on an annual basis and include the following:

- A. Brief description of the property or equipment
- B. Manufacturer's serial number or other identification number
- C. Source of funding for property (e.g. CSBG, WAP, LIHEAP, etc.)
- D. Award number (grant number and year)
- E. Title holder
- F. Acquisition date
- G. Original cost
- H. Federal Percentage
- I. Location, use, and condition
- J. Unit acquisition cost
- K. Disposal date, if applicable
- L. Sales price or fair market Value determination
- M. Accumulated depreciation and depreciation balance

Guidance

- Consider using an excel spreadsheet to track incoming and outgoing inventory over a certain amount.

Authority: OMNI Part 215.34, 2 CFR Part 200 subpart D and IHCD/CSBG Award Agreement #6(L)

Provide: Annual Inventory list for Schedule of inventory, capital equipment and usable property purchased

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Category Eleven: Procurement Analysis (10 points)

Standard 11.1 Purchase orders or a similar system are:

- A. Dated prior to purchase
- B. Approved by the correct authority
- C. Pre-numbered
- D. Attached to the vendors invoice

Guidance

- Proper documentation is on file for any equipment, vehicle or professional services procurement illustrating the proper procedures were followed.
- Procurement procedures were followed and request for bid contains necessary information to allow fair bidding process.
- A written sales contract between a buyer and seller detailing the exact merchandise or service(s) rendered from a single vendor.
- Purchase orders are generally preprinted, numbered documents which show purchase details.

Authority: OMNI Part 215.46, Generally Accepted Accounting Principles and linked to IHCD/CSBG Award Agreement #6 (D)

Evaluate: Review two (2) purchase requisitions and follow through purchase process for current monitoring year and One (1) purchase requisition from previous year.

Provide: Fiscal Policy and Procedures Manual

Value: Meets (10); Partially meets (1-9); Does not meet (0)

Category Twelve: Personnel Allocation Analysis (25 points, 1 Bonus point)

Standard 12.1 Any relatives of current governing board members or leadership staff employed by the organization are documented.

Guidance

- Determining if any staff is directly supervised by a relative.
- If employee is related to human resources, their employee personnel file is placed with the Executive Director.

Authority: In reference to IHCD/CSBG Program Administration Manual 3.1(c)

Interview: Human Resource Manager

Provide: list of staff member(s), department and relationship and organizational chart

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Standard 12.2 Employee payroll records are accurate and reconciled on a monthly basis.

Guidance

- Employee and supervisor have signed employee timecard.
- Employees are paid according to the time sheet distribution.
- Employees are paid the correct rate of pay.
- There is adequate documentation for distribution of hours worked.
- The number of checks distributed matches the payroll register and the number of employees to be paid.

Authority: OMNI Part 230/ Appendix B

Evaluate: Timesheets of two (2) exempt and one (1) non-exempt employee (whose pay is allocated) for each selected period (questions 12.4A-D) in addition to the CEO/Executive Director and Fiscal Director

Evaluate: Selected payroll register (question 12.4E)

Provide: Payroll register for the periods selected

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Standard 12.3 The IRS 941 Report is reconciled each quarter.

Authority: Generally Accepted Accounting Principals

Evaluate: Randomly select four quarters during the monitoring period.

Provide: IRS 941 Reports

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Standard 12.4 The organizations documents, as part of its internal controls, employees or relatives of employee's receiving benefits from programs in the last two years.

Guidance

- The application must be approved by the Executive Director or their designee prior to services being rendered (IHCD).
- LIHEAP and IDA Program Guidance

Authority: IHCD/CSBG Program Administration Manual 3.1(c)

Provide: Internal controls and list all staff receiving benefits from programs offered by the agency, including the program from which the benefits are received for last two years

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Standard 12.5 Organization has a fiscal separation of duties.

Guidance

- Safeguard agency assets with procedures to ensure that all assets are accounted for and protected
- Built in checks and balances assist the LSPs with protection from fraud
- An element of internal control is to segregate incompatible functions to prevent one person from having both access to assets and responsibility for maintaining the accountability of those assets.
- No employee or group of employees should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated are:
 - o Custody of assets
 - o Authorization or approval of related transactions affecting those assets
 - o Recording or reporting of related transactions
- Management selects and develops alternative control activities where segregation of duties is not practical.

Authority: OMB Circular A-110 by reference in the CSBG contract and 2 CFR Part 200 subpart D

Evaluate: Assigned responsibilities against fiscal controls. Refer to Appendix "E"

Provide: Fiscal policy and procedures manual

Value: Meets (5); Partially meets (1-4); Does not meet (0)

Bonus Opportunity

Standard 12.6 The organization performs a time study evaluation to determine proper employee payroll allocation and apply the correct percentages to CSBG.

Guidance

- Agency must have performed a time study evaluation within the last monitoring period

Authority: OMNI Part 230/ Appendix B

Evaluate: Review time study and compare to payroll allocation

Provide: Time study evaluation

Value: Meets (1); Partially meets (.5); Does not meet (0)

Section 5: Accounting for Fiscal Performance Metric

Category Thirteen: Claims Analysis (20 points)

Standard 13.1 CSBG reimbursement claims are accurate and submitted on at least monthly basis.

Guidance

- Claims should be submitted to IHCD for reimbursement within 45 calendar days after the date costs are incurred.
- All backup documentation to confirm incurred expenses and third party payments should be attached to each claim.
- Claims signed by authorized signatory
- Invoices are paid within 45 days of expense/invoice or supporting documentation is provided for any delay.
- There are no unallowable costs.
- Claiming by staff or organization does not conflict with fiscal policies or procedures.

Review: Monitor will randomly select a total of three (3) to five (5) IHCD CSBG claims for the monitoring period and review CSBG contracts.

Authority: IHCD CSBG Award Agreement #4(i) and OMNI Part 215 and 230 or Omni Circular

Provide: Claim reimbursement information for each selected claim including invoice and all supporting documentation. Travel receipts should be included for any claims selected with travel activity. If IHCD has approved any costs that may be viewed as unreasonable or unnecessary provide documentation of approval.

Value: Meets (20); Partially meets (1-19); Does not meet (0)

Category Fourteen: Financial Analysis (15 points, 2 Bonus points)

Standard 14.1 Organization's financial statements are reconciled and are current.

Guidance

- Year-end adjusting journal entries should be completed by the following month after the fiscal year ends
- Ending balance on bank statement matches organizations report
- Cash on bank statement matches balance sheet
- Outstanding deposits match general ledger?
- Interest on bank statement matches organizations report
- Growth or decline of net assets can be explained

Authority: Best Business Practice

Evaluate: Compare organization financial statements to organizations reports, balance sheets, general ledger, etc. Compare independent audit report to the financial statement to determine accuracy

Provide: Organizations financial statements including balance sheets and general ledger

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.2 Liquidity ratios are within IHCDCA guidelines.

Guidance

- Shows the ability of the organization to meet short-term financial obligations in the event LSPs experiences funding loss or unallowable expenses that must be reimbursed.
- Adequate cash reserve is available to cover organizational-wide leave time for earned time off.
- Current assets: cash, CD's, accounts and/or grants receivable
- Current liabilities: accounts payable, current payroll and related taxes, accruals, and current portion of long term debt

A. Current Ratio

Authority: IHCDCA

Standard: 20% (1.2) or greater

Formula: current assets ÷ current liabilities

Provide: Most recently closed interim consolidated, classified Statement of Financial Position (Balance Sheet) reflecting current assets and current liabilities OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

B. Cash Ratio

Authority: IHCDCA

Standard: .5 (50%) or greater

Formula: cash & cash equivalents ÷ current liabilities

Provide: Most recently closed interim consolidated, classified Statement of Financial Position (Balance Sheet) reflecting cash & cash equivalents and current liabilities OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

C. Day's Cash on Hand

Authority: IHCDCA

Standard: 10 days or greater

Formula: cash & cash equivalents x 365 days ÷ total expenses-depreciation

Provide: Most recently closed interim consolidated, classified Statement of Financial Position (Balance Sheet) and Statement of Activities (Income Statement) reflecting cash & cash equivalents, total expenses, depreciation and in-kind expenses OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

D. Working Capital

Authority: IHCDCA

Standard: positive value

Formula: current assets- current liabilities

Provide: Most recently closed interim consolidated, classified Statement of Financial Position (Balance Sheet) reflecting current assets and current liabilities OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.3 Efficiency ratios are within IHCDCA guidelines.

Guidance

- Organization is using assets to maximize cash flow.

A. Receivable Turnover

Authority: IHCDCA

Standard: Accounts receivable less than 30 days/grants less than 90 days

Formula: annual revenue/support ÷ average receivables (current & prior year A/R ÷ 2)

Provide: Most recently closed interim consolidated, classified Statement of Financial Position (Balance Sheet) reflecting Revenue/Support, Accounts & Grants Receivable, and prior year's Accounts & Grants Receivable OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

B. Average Collection Period

Authority: IHCDCA

Standard: 10 to 15 times greater

Formula: 365 days ÷ receivable turnover

Value: Meets (1); Partially meets (.5); Does not meet (0)

C. Administrative Expense as a percentage (%) of Total Expenses

Guidance

- Administrative expenses are considered unrestricted funds

Authority: IHCDCA

Standard: 25% or less

Formula: administrative expenses ÷ total expenses

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting non-grant/contract administrative expenses OR provide the total for the non-grant/contract administrative expenses.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.4 Leverage ratios are within IHCDCA guidelines.

Guidance

- Demonstrates that the organization's long term debt is manageable.

A. Long Term Debt to Net Assets Ratio

Authority: IHCDCA

Standard: Not to exceed five (5) to one (1) = 5 or under

Formula: long term debt ÷ net assets

Provide: Most recently closed interim consolidated Statement of Financial Position (Balance Sheet) reflecting long-term debt and net assets OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

B. Operating Ratio

Authority: IHCDCA

Standard: 1 or less

Formula: total operating expenses ÷ total revenue

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting total operating expenses and total revenue /support OR a complete list of each.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.5 In-kind contributions are listed as revenue on the income statements.

Guidance

- In-kind contributions means the value of non-cash contributions (OMNI 215)
- Reference OMNI Part 215.23 cost share or matches for additional guidance

If No,

Guidance

- List should include amount or item received, time, donor, value determination if an item and program is associated.

Authority: OMNI Part 215.23

Provide: In-kind contributions list

If Yes, is there an off-setting expense amount?

Guidance

- Some agencies show contributions of time by volunteers as a source of revenue. However, this does not consist of dollars and therefore inflates the true dollar Value of revenues and must be offset on the expenses
- Statements are not credible if there is no off setting expenses
- BBP: preferred that this method is not used

Authority: OMNI Part 215.23

Evaluate: Compare in-kind contribution list against balance sheets

Provide: In-kind contributions list and balance sheets

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.6 Accounts Receivable ledger (A/R) match interim accounts receivable balance sheet.

Authority: Generally Accepted Accounting Principals

Evaluate: Compare month ending A/R match's interim A/R balance sheet of same month

Provide: Most recently closed accounts receivable subsidy ledger

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.7 Accounts Payable (A/P) ledger match interim accounts payable balance sheet.

Authority: Generally Accepted Accounting Principals

Evaluate: Compare month ending A/P match's interim A/P balance sheet of same month

Provide: Most recently closed accounts payable subsidy ledger

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.8 IRS Form 990 contains the following:

Guidance

- Account balances on the GL agree with account balances
- The figures on the balance sheet and income statements are similar
- Checks drawn to cash

Authority: IHCD

Provide: IRS Form 990

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.9 Accounting records are supported by source documents.

Guidance

- This may include claims, manual entries or adjustments made to the journal after closing.
- Credit card statements reflect no unusual charges. Head Start agencies are required to review credit card statements at board meetings and should be reflected in the meeting minutes

Authority: OMNI Part 215.2

Evaluate: Compare general ledger to supporting documentation and review credit card statements

Provide: General ledger

Value: Meets (1); Partially meets (.5); Does not meet (0)

Bonus Opportunity

Standard 14.10 Organization accounts for employee leave time when earned or when taken.

Authority: Best Business Practice

Provide: Leave time tracking system details

Value: Meets (1); Partially meets (.5); Does not meet (0)

Standard 14.11 Account balances do not exceed the FDIC insured limit (\$250,000) at a single bank.

Guidance

- FDIC policy: deposits owned by a corporation are insured up to \$250,000 in a single bank.
- Fiscal Policies and Procedures manual should list this policy.
- Discuss options with the bank to ensure the organization's funds are fully FDIC ensured, if at a single bank.

Authority: OMB Circular A-110 by reference in CSBG contract

Evaluate: Review visit bank statements (prior month to monitoring)

Provide: Prior month to monitoring visit bank statements and Fiscal policy and procedures manual.

Value: Meets (1); Partially meets (.5); Does not meet (0)

Recommendations

Standard 14.12 Organizations Reliance Ratios are within IHCD guidelines.

A. Government Funding Ratio

Authority: IHCD

Purpose: Provide awareness of risk in both reliance and autonomy. Government funding is tied to specific contracts and provides limited allocation and flexibility.

Formula: total government grants & contracts ÷ total income

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting total grants/contracts OR a complete list of each.

Value: Recommendation

B. Earned Income Ratio

Authority: IHCD

Purpose: Earned income is a percentage of total income and allows for more LSPs autonomy and flexibility.

Formula: total earned income ÷ total income

Provide: Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting earned income from non-grant/contracts OR a complete list of each.

- Value:** Recommendation
- C. Self-Sufficiency Ratio
- Authority:** IHCD
- Purpose:** Proportion of operating expenses that are covered by earned income.
- Formula:** total earned income ÷ total expenses
- Provide:** Most recently closed interim consolidated Statement of Activities (Income Statement) reflecting earned income from non-grant/contracts OR a complete list of each.
- Value:** Recommendation

Categories 10-14	Section Total Points Possible: 80
	Bonus Points: 3
Categories 1-14	All Total Points Possible 146
	All Total Points Possible w. Bonus 159

APPENDIX “A”- Acronyms/Definition

A/P	Accounts Payable
A/R	Accounts Receivable
A-133	Audit for states, local governments, & nonprofit organizations
ADA	Americans with Disabilities Act
Balance Sheet	Statement of Financial Condition
BBP	Best Business Practice
CAA	Community Action Agency (also called Local Service Provider)
CAP	Community Action Program (also called Local Service Provider)
CAPLAW	Community Action Program Legal Service Inc.
CAR	Comprehensive Administrative Review
CD	Certificate of Deposit
CEO	Chief Executive Officer (also called ED)
CFR	Code of Federal Regulations
CFP	Certified Public Accountant
CSBG	Community Service Block Grant
DOE	U.S. Department of Energy
ED	Executive Director (also called CEO)
EAP	Energy Assistance Program (also called LIHEAP)
FLSA	Fair Labor Standards Act (Department of Labor)
FY	Fiscal Year
GAAP	General Accepted Account Practices
GL	General Ledger
GPP	Grantee Plan Packet
Governing Board	Board of Directors or tripartite board/advisory body
HHS	U.S. Department of Health and Human Services
HNA	Housing Needs Assessment
HOPWA	Housing Opportunities for Persons with Aids
HUD	U.S. Department of Housing and Urban Development
IC	Indiana Code
IDA	Individual Development Account
IHCDA	Indiana Housing and Community Development Authority
INCAA	Indiana Community Action Association
Income Statement	Statement of Activities
IM	Information Memorandum
IRS	Internal Revenue Service (federal)
IS	Information Systems (CSBG IS Report)
LIHEAP	Low Income Home Energy Assistance Program (also called EAP)
LSP	Local Service Provider
MBE	Minority Business Enterprise
MOU	Memorandum of Understanding
NAP	Neighborhood Assistance Program
NCRT	National Certified ROMA Trainer
NFP	Not-for-profit (also called non-profit)
NM	Not Met (expectation)
OMB	Office of Management and Budget
PL	Public Law
PL 105-285	CSBG Reauthorization Act of 1998
PM	Partially Met (expectation)
PR	Public Relations

PY	Program Year
OCS	Office of Community Services
OMB	Office of Budget and Management
OMNI	OMB OMNI-Circular or super-circular
OMNI Part 215	Formerly OMB A-110
OMNI Part 230	Formerly OMB A-122
OS	Organizational Standards for CSBG
OSHA	Occupational Safety and Health Association
RFP	Request for Proposal
RFQ	Request for Qualifications
ROF	Release of Funds
ROMA	Results Oriented Management and Accountability
SDS	Safety Data Sheets (formerly MSDS-Material Safety Data Sheets)
SOA or SO/A	Sarbanes-Oxley Act
SSN	Social Security Number
TANF	Temporary Assistance for Needy Families
WAP	Weatherization Assistance Program
Wx	Weatherization

APPENDIX “B” - Resources

State of Indiana Organizations

IHCDA

Indiana Housing and Community Development Authority
30 South Meridian Street, Indianapolis, IN. 46204
1.800.

www.ihcda.in.gov

- State Agency administering and monitoring the HHS CSBG funds
- Partnership portal to access IHCDA manuals

IN-CAA

Indiana Community Action Association
1845 West 18th Street, Indianapolis, IN. 46202
1.800.382.9895

www.incap.org

- State-wide not-for-profit organization for the Community Action Agencies network
- Publishes monthly CAA newsletter
- Conducts on-going CAA training needs and certifications
- Provides additional agency training or resources, as requested
- Conducts and publishes CAA and State needs assessment every three years

INRN

Indiana Nonprofit Resource Network

www.inrn.org

- Statewide service providing workshops and board retreats for any Indiana nonprofit organization
- Workshops, webinars, consulting and facilitating
- Topics: board governance, strategic planning, resource development, fundraising, marketing and communication

IYI

Indiana Youth Institute
1-800-343-7060

www.iyi.org

- Kids Count in Indiana Data Book (data and research of childhood well-being in Indiana)

IaUW

Indiana Association of United Ways
3901 North Meridian Street, Suite 306
Indianapolis, IN. 46208

www.iauww.org

- ALICE Report (Asset, Limited, Income, Constrained, Employed) for Indiana households struggling to afford the basic necessities of housing, childcare, food, healthcare and transportation

CAPLAW

Community Action Program Legal Services
178 Tremont Street, 10th floor, Boston, MA. 02111
617.357.6915

www.capl原因.org

- Dedicated to providing the legal resources necessary to sustain and strengthen the national community action agency network
- Provided legal consultations, training and publications
- Tools and Resources for CAA, CSBG, governance, Weatherization, Head Start, finance, etc.. (on-line) e.g. Tools for top notch CAA's a practical guide to governance and financial excellence and internal control review checklist
- Model policies and agreements: conflict of interest, whistleblower, procurement, Head Start, social media, etc.. (on-line)
- Webinars

NASCSP

National Association for State Community Services Programs
111 K Street, NE Suite 300, Washington DC, 20002
202.624.5866

www.nascsp.org

- Advocates and enhances the leadership role of states in preventing and reducing poverty
- CSBG, Weatherization, Energy Assistance, Child Care, Employment, Healthy Homes, etc..
- Conferences, training, resource center, policy and funding updates
- Training materials for asset development, ROMA, governing board , fiscal, and others (e.g. storytelling manual, social media self-assessment, etc..)
- Reconciles the CSBG IS report
- Generates the National CSBG IS report

NCAF

National Community Action Foundation
P.O. Box 78214, Washington DC, 20013
202.842.2092

www.ncaf.org

- Advocates and lobby's for programs that assist low-income families and individuals

NCAP

National Community Action Partnership
1140 Connecticut Avenue NW, Suite 1210, Washington DC, 20036
202.265.7546

www.communityactionpartnership.com

- Conferences, trainings and certifications
- Strategic planning, risk mitigation, cost allocation audit essentials, etc.. (webinars)
- Fiscal Fundamentals for ED's, Improving Community Partnerships, What Every Board Member needs to Know, etc.. (tool kits)
- Comprehensive Community Needs Assessment (on-line)

Other Agency Professional Resources

Organizations

NAF

Nonprofits Assistance Fund
2801 21st Avenue South, Suite 210, Minneapolis, MN 55407
612.278.7180

www.nonprofitassistancefund.org

- Specializing in financial education for non-profit organizations
- Trainings and Resource library
- Topics: financial analysis and ratios, management and reports, policies, budgets, and Board of Directors

NCN

National Council of Nonprofits
1200 New York Avenue NW, Suite 700, Washington DC, 20005
202.962.0322

www.councilofnonprofits.org

- Linked to the Indiana Nonprofit Resource Network
- Data, Reports and Resource library
- Topics include: management, board governance, marketing, evaluation and measurement, fundraising, leadership, risk management, technology, and volunteers
- E.g. of materials: board member 990 checklist, measuring outcomes, marketing planning, volunteer management, and tracking volunteer time to boost your bottom line

NRMC

Nonprofit Risk Management Center
204 South King Street
Leesburg, VA, 20175
703.777.3504 or 202.785.3891

www.nonprofitrisk.org or <http://riskassessment.org>

- Risk assessment tool for Community Action Programs

Materials

ROMA website

Results Oriented Management and Accountability

www.ROMA1.org

OMNI-Circular

OMB Grants Management Circulars

www.whitehouse.gov/omb/circulars

OCS Information Memorandum

<http://www.acf.hhs.gov/programs/ocs/resource/csbg-information-memoranda>

OnStrategy

<http://onstrategyhq.com>

- Fee based Strategic Planning software

Appendix “C”- Indiana’s Best CSBG Business Practices

The following best business practices have been gathered from the most recent CAR monitoring visits. Some examples are used or adapted by multiple agencies. This is not an all-inclusive list but will expand and as agencies continue to develop their operations.

Board Governance

- Board Composition Matrix to assist in seeking out and targeting new board members that will meet the many different needs of the board make-up which will address the criteria of all the programs being operated by the agency (Brightpoint)
- Consent agenda to expedite governing board meetings by voting on the daily/routine business items that require no or little discussion (Brightpoint)
- Annual governing board activity schedule which reflect the major board decisions that will be voted on at each meeting (CAGI)
- Rotate board meetings in the summer (ICAP)
- Governing board job descriptions (PACE)
- Bylaws include language that failing to sign the Conflict of Interest statement is grounds for Removal for Cause (SCCAP)
- Child care services offered to governing board members during meetings, if needed (SCCAP)
- Rotates board meetings to each county, including changing the meeting time for those counties affected by the time zone change (TRI-CAP)
- Senior governing board members are assigned as mentors to new members as part of the board orientation process (multiple agencies)
- Color coded board reports or cover pages to aid governing board members (multiple agencies)
- Tele-Conferencing (multiple agencies)

Tri-partite Board

- Low-income elections include an alternate elected at the same time to enable the seat to be filled quickly if the low income representative can no longer serve on the governing board (SCCAP)

Mission Driven

- Read mission statement at the end of each governing board meeting (Area Five)
- Mission statement posted on the wall of the board room (Area Five)
- Mission Moment- Reinforces the mission of the agency to the governing board by a board member, leadership staff or supervisor sharing a success story at the conclusion of each meeting (PACE)
- Mission Statement printed on the back of each governing board members outward facing name plate (SCCAP)
- Mission Minute- Success stories shared at the leadership staff meetings (SCCAP)
- Mission statement on the meeting agenda (multiple agencies)

Agency Operations

- Investment policy (Brightpoint)
- Email tracking report for all fundraisers and press releases that have been sent (CAGI)
- Emerging Leaders Team representing each department as a training ground for future upper management positions and to aide in the continuity of operations in case of staff turnover or prolonged absence (CAPWI)
- Advisory Board in each county (CFS)
- Weekly email update to governing board on each program (CFS)
- Monthly Improvement project. Each month senior staff focuses on one item to improve. There are no limitations and may be programmatic, building, grounds, customer service, etc... (ICAP)

- Quality Improvement Team. To focus on quality improvement across all programs and departments a quality improvement team was created to review the different programmatic files to ensure program guidelines and agency policies are being administered. (ICAP)
- Financial Operations adds the P.O. number next to each credit card purchase, prior to the ED's review (REAL)
- Agency capitalizes on the universities in its community by utilizing them as resources in the many facets of the organization (REAL)
- Advisory Board for each program (multiple agencies)
- Governance calendar so agency meets all required deadlines and board votes on necessary compliance items (multiple agencies)

Public Relations

- Participation in the annual community parade (Brightpoint)
- Monthly social concerns group meeting- all social service agencies have the opportunity to come together over a brown paper bag lunch to share ideas and talk about their agencies. A good way to network with other community organizations (TRI-CAP)

Strategic Planning/ Needs Assessment

- Color coded strategic plan scorecard (Brightpoint)
- 211 provided quarterly call report for each county which allows agency to find hot topics (CFS)

Employees

- Morale committee to do events with the staff (Area Five)
- Quarterly safety newsletter (Area Five)
- Each department within the agency is evaluated by staff (Brightpoint)
- Stall Talks are flyers placed in employee's restrooms to discuss workplace safety topics (Brightpoint)
- Agency strategic objectives are connected to employee goals (multiple agencies)

Programs

- Beginnergarden- collaborative 6 week program with the United Way for low income children to prepare them for kindergarten (Area Five)
- Boys and Beyond (PACE)
- Greenhouse (SCCAP)

Fundraising Activities

- 20 x 20 challenge; each board member ask 20 people for \$20 to support the agency. This simple fundraising approach promotes the agency, teaches the board member how to ask for money in a non-threatening environment by seeking out friends/family and also raises some funds (Brightpoint)
- Employees support a different agency department each year through the jeans fund and other small fundraising initiatives (REAL)

Revenue Generation

- Thrift Store (CFS)
- Coffee Shop (CFS)
- 211 (NWICA)
- Cleaning Company (PACE)
- Catering Service (REAL)

Morale

- Send each governing board member and staff a birthday card (TRI-CAP)

From Around the Country

- CSBG IS completed quarterly to reduce the time to complete annually. Also provides data to discuss if agency is meeting its performance benchmarks (multiple)
- Each department has its own mission statement that supports the agency mission
- Logic Model week (South Carolina)

